

Please contact: Greg Halliwell
Please telephone: 01784 446267
Fax Number: 01784 446333
Email Address: g.halliwell@spelthorne.gov.uk
Our Ref: PGH/Cabinet
Date: 14 January 2013

Notice of meeting

EXTRAORDINARY CABINET

Date: Monday 21 January 2013

Time: 5.00 p.m.

Place: Council Chamber, Council Offices, Knowle Green, Staines.

To: Members of Cabinet

Members of the Cabinet	Cabinet member areas of responsibility
F. Ayers (Chairman)	Leader of the Council/ Strategy and Corporate Governance
Mrs. J.M. Pinkerton (Deputy Leader)	Health, Well-being and Independent Living
Mrs C.A. Bannister	Communications
T.J.M. Evans	Finance and Resources
P.C. Forbes-Forsyth	Community Safety and Young People
G.E. Forsbrey	Planning and Housing
N. St. J. Gething	Economic Development
Mrs D.L. Grant	Parks and Assets
R.L. Watts	Environment

AGENDA

Description	Page Number
1. Apologies for absence	
To receive any apologies for non-attendance.	
2. Disclosures of Interest	
To receive any disclosures of interest from members in accordance with the Council's Code of Conduct for members.	
3. Localisation of Council Tax support	
Councillor Forsbrey	1 - 93
4. Council Tax base 2013-14	
Councillor Evans	94 - 100

Cabinet**21 January 2013**

Title	Localisation of Council Tax Support and Technical Reforms to Council Tax Discounts and Premiums		
Purpose	Resolution required		
Report of	Assistant Chief Executive	Confidential	No
Cabinet Member	Councillor Gerry Forsbrey	Key Decision	Yes
Report Author	Heather Morgan - Project Manager		
Summary	<ul style="list-style-type: none"> • The government is abolishing the national council tax benefit scheme from April 2013. • Councils have the option to create a local support scheme. This needs to achieve a permanent 10% saving, and will affect certain sections of the community, including vulnerable groups. Pensioners are protected. • There is a £100 million transition fund for 2013/14 to help Councils implement the changes (subject to meeting criteria) • In April 2013, the Government is implementing technical reforms to enable councils to choose to remove council tax discounts on second homes and empty properties and introduce a premium on long term empty properties. 		
Financial Implications	<ul style="list-style-type: none"> • Grant received from central government for council tax support will be reduced by an average of 10% from April 2013. • 10% reduction estimated to be £700,000 for Spelthorne Borough as a whole (£77,000 apportioned to us, and the remaining £623,000 to Surrey County Council and Surrey Police). • The proposed local council tax support scheme will deliver £301,000 of savings • Local decisions on discounts for empty homes will result in an additional £509,000 of income • There are risks around collection of £90,000 for council tax support and £122,000 for 'empty homes' 		

Corporate Priority	Service and Support
Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> <li data-bbox="453 293 1469 398">1. Considers the options for a Local Council Tax Support Scheme, the outcome of the public consultation and the Equalities Impact Assessment <li data-bbox="453 421 1490 562">2. Recommends to Council a Local Council Tax Support Scheme from 1 April 2013 as set out in paragraph 5.2 subject to the application on the regulations issued for schemes under the Local Government Finance Act 2012 <li data-bbox="453 584 1469 689">3. Considers the options for Technical Reforms to Council Tax Discounts and Premiums, the outcome of the public consultation and the Equalities Impact Assessment <li data-bbox="453 712 1474 853">4. Recommends to Council Technical Reforms to Council Tax Discounts and Premiums (empty homes) as set out in paragraph 5.6 subject to the application of the regulations issued for schemes under the Local Government Finance Act 2012 <li data-bbox="453 875 1453 1048">5. Recommends to Council as set out in paragraph 5.7 that the additional income from the Technical Reforms to Council Tax Discounts and Premiums is used to offset part of the loss of government funding in 2013/14 and reduce the level of savings required from the Local Council Tax Support Scheme.

1. **Background**

Council Tax Support

- 1.1 As part of the Local Government Finance Bill 2012 (which received Royal Assent on 31 October 2012), the government is proposing to replace the national council tax benefit scheme with localised council tax support.

National

- The new scheme will come into effect from 1 April 2013.
- Local authorities are able to create and administer their own schemes, which have to be adopted by 31 January 2013 (this is an annual process). If not, they will transfer to the default scheme.
- Central government grant will be reduced by 10% (an overall average) from 2013-14. The underlying reduction is a little more than 10% as the Government has made assumptions about falling claimant numbers and around levels of council tax increase. The Government has not provided for a council tax increase in 2012-13 which has an impact in Spelthorne where all three council tax setting bodies increased council tax.
- Funding for the local scheme will be provided by central government, by way of a grant to billing and precepting (i.e. county councils and police) authorities in proportion to their share of the Council Tax payable. A 10% reduction in funding is estimated at approximately £700,000 for this borough, and Spelthorne's share would be £77,000 (11%). Surrey County Council's share would be £532,000 and Surrey Police £91,000.
- If authorities have not adopted a scheme by 31 January 2013 then the current council tax benefit scheme will continue as the default position. The 10% cut would fall to the Council and its preceptors to deliver. This would effectively mean an average 0.8% increase in council tax across Surrey for county, boroughs and the police to make up the £9 million shortfall.
- The local scheme will transfer the financial risk from central to local government as council tax revenue from the lowest income households will not be protected by government funding. Surrey borough and district councils will, as billing authorities, face additional collection and recovery costs.
- Local support schemes will be integrated into the council tax setting process and will be accounted for in the tax base calculation, effectively reducing the Band D equivalents.
- The government has stated that pensioners will be protected from these cuts (43% of council tax benefit claimants in our Borough). This means the burden of the 10% cut has to be borne by the remaining working age

benefit claimants (unless there is an alternative for making up the shortfall).

- Local authorities should have regard to vulnerable groups and their responsibilities in respect of child poverty, disabled people, homelessness and equalities and ensure that we have evaluated the impacts on such groups. Schemes will need to be consistent with the Universal Credit principles and should provide an incentive to work.

Surrey Framework

- 1.2 Bearing in mind the tight timescale for establishing a new local scheme, Surrey authorities developed a Surrey-wide Framework. The aim was to enable authorities to look at a broadly similar scheme, which also allowed individual Councils to tailor a local scheme to their local circumstances (taking into account their financial and demographic pressures).
- 1.3 Surrey Leaders' Group supported this, and agreed that we should be seeking to pass on the savings through reduced benefits rather than increasing council tax. However it was accepted that each Council may have modifications around elements of the framework.
- 1.4 The Surrey Framework is largely based on the current council tax scheme, but there is some tightening of criteria which would mean some, but not all, claimants would receive less support.
- 1.5 This scheme would protect vulnerable claimants but:
 - There would be no second adult rebate
 - The minimum level of support will be £5 per week. There will be no entitlement if it is less than this
 - No support will be given to those living in properties in band E and above
 - It would reduce the capital limit from £16,000 to £6,000
 - There would be no backdating (e.g. people can only receive benefit from the date they apply not the date they are eligible)
- 1.6 Originally the County offered all the districts and boroughs collectively up to £1 million to bolster collection regimes. The offer has now been revised to make the same amount of money available to help close funding gaps of the boroughs and the Police if boroughs seek to limit the impact on individual claimants for 2013/14.
- 1.7 A report went to Cabinet on 7 August 2012 setting out the governments' proposal and timetable for implementation, and the options for a local council tax support scheme. Cabinet agreed those options for consultation and that the set of proposals for a local scheme be broadly based on the Surrey-wide framework.

Government transitional funding

- 1.8 On 19 October 2012 the Secretary of State for Communities and Local Government (CLG) announced a one year (2013/14) £100 million transitional grant scheme to "support local authorities in developing well designed Council

Tax Support Schemes and maintain positive incentives to work". To apply for a grant, billing authorities must adopt a scheme which ensures that:

- Those who currently get 100% support pay no more than 8.5% under the new local scheme
- The taper rate which is currently 20% does not increase above 25% (e.g. if someone earns an additional £20 per week their benefit would not drop by more than £4).
- There is no sharp reduction for those going back into work
- There is no large increase in non-dependent deductions

1.9 For Spelthorne the CLG funding offer would be £142,000 towards the local scheme costs (£16,000 for Spelthorne, £19,000 for Police and £107,000 for Surrey County).

Empty Homes

1.10 The Local Government Finance Act 2012 (passed 31 October 2012) covered a wide range of issues, including making changes to council tax rules to allow further flexibility on what councils can charge on empty properties, and other small changes aimed at modernising the system.

National

- The new scheme will come into effect from 1 April 2013
- Reforms are centred on providing more flexibility on second homes and certain empty properties. They will provide more control to keep council tax down
- The reforms will provide strong levers to make sure that housing stock is effectively used
- As with council tax support, Councils can decide whether or not to implement the changes
- Central government have said that the extra revenue generated could be used either to reduce the impact on council tax increases or to offset some of the impact of the changes to council tax support.
- Replace exemptions for uninhabitable (class A), empty and unfurnished (class C) with discounts which billing authorities can determine
- Abolish exemptions for repossessions (class L) and make mortgagees in possession liable
- Second homes discount can be reduced to 0% (currently a minimum of 10%)
- Potential to charge 150% premium on empty properties over two years old.
- The single person discount (25%) is not part of the changes and cannot be altered
- The government has stated it will not reduce grant as a result of the changes

- The local scheme, if implemented, can be built into the council tax base (used for setting council tax levels for next year)

Surrey

1.11 Surrey County Council have said that the extra revenue generated could be used to help fund the local council tax benefit scheme, and partially mitigate its impact on those receiving benefit. They are supportive of removing discounts and exemptions of second homes and empty properties. The Surrey County approach to empty homes is as follows:

- No discount for uninhabitable properties (class A)
- 100% discount for empty and unfurnished properties (class C) for one month, and none thereafter
- No discount for second homes
- No discount on re-possessed homes (class L)
- Premium of 50% on all properties which have been empty for more than two years

Local flexibility

- 1.12 The changes to 'empty homes' and council tax support are clearly linked, but the final decision on both the local scheme and the technical changes need to be considered on their own merits.
- 1.13 It is entirely at the Council's discretion to decide how to implement these changes. In order to ensure a managed approach was taken a project board was set up to look at these two issues (with Cllrs Evans and Forsbrey as the appropriate cabinet members). A number of discussions at the project board focused on whether or not the full £700,000 savings required for council tax support should be achieved solely through the local council tax support scheme. The other option was to look at whether or not some of the savings required could be achieved from additional income sought from council tax discounts and premiums or 'empty homes'.
- 1.14 As a Council we do not have to set aside the income achieved from 'empty homes' to help offset the changes in council tax support. Other Councils in Surrey and elsewhere have decided that the savings required for council tax support should be entirely funded by the benefit claimants, using the 'empty homes' income as part of its general budget. If Spelthorne were to take a similar approach then we would be looking at an 18% reduction in benefit 'across the board' as opposed to the maximum of 8.5% which is the preferred option (set out in more detail in sections 4 and 5).
- 1.15 The clear steer from the project board and numerous councillor briefings has been that the income from 'empty homes' should be used to help offset the council tax benefit changes. The need to take a holistic view of these changes as part of wider welfare reforms (section 2 below) formed part of this.
- 1.16 It is for Cabinet and Council to formally decide on whether they agree with this approach.

2. Key issues

Council Tax Support

- 2.1 The overall aim is to create a fair and transparent local scheme for Spelthorne residents. It must take into consideration the needs of the whole community, whilst minimising the cost to Spelthorne and the County/Police. It will be a challenge to achieve this within the very tight deadlines given.
- 2.2 Whatever option we choose, the overall message will be unwelcome. The way we tell people how they will be affected is crucial. Many who currently pay nothing, or a very limited amount, will have to pay more. The changes also need to be seen in the light of wider reforms to welfare benefits, including restrictions in the amount of housing benefit that can be paid to under occupied properties in the social sector (April 2013), the £500 per week cap on benefits per household (phased in over Summer 2013) and the introduction of Universal Credit (probably October 2013). It is likely that these changes in conjunction with the move to a local council tax support scheme will affect the same groups of people. All these changes combined may create a risk that a greater number of families will present as homeless and become our responsibility (with increased workloads and additional costs as a result).
- 2.3 We will have to ensure that any local scheme can actually deliver the savings, as we are not able to change the scheme for a year after it is brought in. Considerable effort needs to be put in to ensure the scheme is robust and that the collection rates are accurate and sustainable. There is a very strong possibility that not everyone will pay and we may have to put more resources into collection, and debt management advice.

Empty Homes

- 2.4 The Council does not have a significant stock of empty or second homes (910 as of October 2012) which it can rely on to bring in extra income. As a Council, we will have to work very hard to ensure that we collect the money from uninhabitable properties and long term 'empties' (over two years). There is a particular risk that owners will try to avoid paying for these.
- 2.5 An added complication is that a significant number of these are in individual ownership (716 properties) as opposed to a commercial landlord or housing provider (194 properties). This increases the level of effort needed to collect the income.
- 2.6 As with the council tax support scheme, considerable effort needs to be put in to ensure the local scheme is robust and sustainable.

3. Consultation

Surrey County Council and Surrey Police Authority

- 3.1 The Council was required to carry out a consultation first with precepting authorities (Surrey County and Surrey Police) and then with the wider public.
- 3.2 The Police Authority noted that the future budget decision would be the responsibility of the Police and Crime Commissioner who was elected 15 November. They expressed concern that a default scheme (i.e. no nothing)

could cost the Police around £0.8 million and was likely to lead to a reduction in frontline staff. Their response is attached as [Appendix 1](#).

- 3.3 Surrey County Council stated their priorities were to:
- Ensure the current high collection rate did not drop
 - Avoid indirect costs to services as the result of a local scheme
 - Ensure partnership working
 - Avoid a drop in police numbers
- 3.4 There were a number of other more detailed comments on the options which were put forward in the August Cabinet which have been addressed in the final preferred option. Their response is attached as [Appendix 2](#).

Wider Public Consultation

- 3.5 Public consultation took place between 10 September and 24 December 2012. The survey asked a number of questions which covered all the options set out in the August cabinet report as well as a number relating to empty and second homes. A copy of the survey is included in the report on the consultation feedback.
- 3.6 'Targeted' paper surveys were sent to 3,470 current council tax benefit claimants, 3,401 randomly selected council tax payers and 807 empty home owners, plus several thousand to other groups and organisations (8,600 surveys in total). Electronic copies were sent to affordable housing providers, VAIS, as well as residents associations and amenity groups. Individual meetings were held with A2Dominion and the CAB, and there was a stand at the LSP Assembly on 27 September. An online survey was available on the website throughout the consultation period.
- 3.7 In total, 1,486 were received (17.3% of the 'targeted' surveys sent out). A copy of the consultation feedback and analysis report is attached as [Appendix 3](#). The tables below set out the main findings:

Question	Yes (no. & %)	No (no. & %)
Do you think that council tax should be raised to cover the cost of these changes?	175 11.8%	1270 85.5%
Do you think services should be cut to fund the benefit gap?	259 17.4%	1179 79.3%
Should people who cannot work be given more council tax benefit than those who could work but are unemployed?	890 59.9%	566 38.1%
Should people with savings of less than £16,000 be asked to use these savings to pay their council tax?	502 33.8%	939 62.3%
Should people who receive council tax	987	461

benefit who are in properties with a high council tax band (F) be asked to pay more under a new scheme?	66.4%	31.0%
Everyone should pay something. Should we ask all working age people who are currently not working to pay 18% of their council tax?	972 65.4%	449 30.2%
Should there be a minimum weekly limit on benefit for which people qualify and at what level should that be set?	50p 379 25.5%	£5 775 52.2%
Should lone parents with children under 5 receive more benefit protection than other council tax payers?	517 34.8%	923 62.1%
Should people with disabilities be protected from the council tax benefit cuts?	1181 79.5%	268 18.0%
Should people currently working but on a low income be protected from council tax benefit cuts?	993 66.8%	453 30.5%
Do you think the owners of uninhabitable properties (either derelict or under structural alteration) should pay full council tax?	1085 73.0%	379 25.5%

Question	1 month	3 months	6 months
Do you think that owners of empty/unfurnished properties should have a period of exemption from paying council tax? If so how long?	465 31.3%	413 27.8%	323 21.7%

Question	20%	35%	50%
Do you think that properties empty for over two years should be liable for a premium to encourage re-occupation? If so how much?	316 21.3%	256 17.2%	682 45.9%

Note: the numbers and percentages may not add up to 100% as there was not a 100% response rate to every question.

- 3.8 The Council currently disregards war widows pensions for the purpose of calculating entitlements to benefits. The Royal British Legion has asked that this continues. The preferred option would continue their 100% protection (rather than give them 100% protection from the reductions). All our current

claims are from pensioners who are exempt from the changes, although this could of course change in the future.

- 3.9 The Cabinet is asked to consider carefully the feedback received as part of its decision making process, and to note that it has been used in the Equalities Impact Assessment for both the local scheme for council tax support and the council tax premiums and discounts.

4. **Options analysis**

Council Tax Support

- 4.1 The very limited time available to bring forward a local scheme (April 2013), means there is little choice but to base the scheme on the current system. It is proposed that the Council considers two main approaches. Careful consideration was given to the Surrey Framework. Spelthorne Borough Council is signed up to the broad principles of this framework, but we have not adopted it as a whole. However, where possible we have included/adapted those elements which are appropriate as part of a local 'Spelthorne' solution. It is therefore not being put forward in its own right as an option for consideration.

- 4.2 The two options are set out below:

Do nothing: The default scheme

- 4.3 The Council would adopt the current council tax benefit scheme as our local scheme. It would provide the same level of support as now to claimants but we would need to find the 10% saving (along with Surrey Police and County Council).

- 4.4 The cut in grant if the Council took this approach grant would be £700,000, with Spelthorne's share being £77,000. This money would need to be found by this Council, the Police and the County or passed on to the council tax payers.

Local scheme based on current scheme (with some local variations based on the Surrey Framework and local needs) preferred option

- 4.5 This scheme is based on the current scheme but would ensure that no-one's current benefit would be reduced by more than 8.5%. The key features are:

- 95% protection for vulnerable people (see [Appendix 4](#) for definitions)
- 91.5% protection for everyone else
- Second adult rebate
- Capital limit £16,000
- Three months backdating of claims (in line with pensions)
- Continue 100% disregard for war widows

- 4.6 The benefits and challenges of each of these options are set out in [Appendix 5](#) (including the Surrey Framework). The impact of the proposed options on most affected groups of people who claim council tax benefit in terms of payments are set out in [Appendix 6](#). The impact of the changes on a ward by

ward basis are set out in [Appendix 7](#). Cabinet are reminded that the changes do not apply to pensioners.

Empty homes

4.7 A number of exemptions will be abolished in April 2013, and Councils are being given greater flexibility in a number of areas such as long term empty properties. It is proposed that the Council considers two main approaches. Careful consideration was given to the Surrey Framework. However there were a number of challenges with this approach for Spelthorne, which meant that this was rejected and is not being put forward as an option for consideration.

4.8 The two options are set out below:

Local scheme (phased approach)

- No discount for second homes
- No discount for re-possessed homes (class L)
- 25% discount for uninhabitable properties (class A)
- Progressive discount for empty homes (class C) - 100% month one, 80% month two, 60% month three, 40% month four, 20% month five and 0% from six months onwards
- 35% premium for long term empties

Local scheme (more stringent approach) (preferred option)

- No discount for second homes
- No discount for re-possessed homes (class L)
- 50% discount for uninhabitable properties (class A)
- Progressive discount for empty homes (class C) - 100% month one, 50% month two, 25% month three, 0% from four months onwards
- 50% premium for long term empties

4.9 The benefits and challenges of each of these options are set out in [Appendix 8](#) (including the Surrey Framework). The additional income which could be achieved by the options are set out in [Appendix 9](#).

5. Proposal

Council Tax Support

Proposal

5.1 It is proposed that:

5.2 **The Local Council Tax Support scheme in 2013/14 is based on the CLG Transitional funding scheme (which in turn is based on the default scheme (which is in turn based on the current council tax benefit scheme) with some elements of the Surrey Framework and some local variations:**

- **95% protection for vulnerable people**
- **91.5% protection for everyone else**
- **Second adult rebate**
- **Capital limit £16,000**
- **Three months backdating of claims**
- **Continue 100% disregard for war widows**

5.3 Cabinet are reminded that this scheme will be for one year only and there is scope to refine or completely review in 2013. Any changes would need to be agreed by the end of January 2014. Any decision to refine or review would be based upon operational experience and any other legislative changes which may come forward.

Reason for recommendation

5.4 Set out below are the reasons why this approach is being put forward:

- Timescales are such that Councils have not had time to fully review all future options for council tax support
- The CLG are offering a transitional grant to support Councils in developing a well designed scheme which maintains positive incentives to work. The scheme would ensure the Council received £142,000 of grant funding towards supporting the local scheme
- Surrey County Council and Surrey Police want to see the funding gap reduced which means savings have to be found. The scheme does so, and will not therefore have an adverse impact on the frontline staffing within Surrey Police.
- There is resident support for requiring all working age households to pay something towards their bills. Similarly, there is agreement that there should be no increase in council tax to fund the changes, or that services should be cut to fund the gap.
- The scheme ensures that the most vulnerable people would pay is a maximum of 5%. This would equate to £1.50 per week reduction in council tax benefit for a band D property. In many cases it would be lower than this. This reflects the very strong view from the consultation surveys.
- Working families would not be unduly penalised by the scheme, as they would pay no more than 8.5% maximum, and maintains incentives to work. This would equate to £2.50 per week reduction in council tax benefit for a band D property. There was support from the consultation surveys for a cut of up to 18% to be shared across the working age population. The proposed scheme would be less than this.
- Retaining the second adult rebate will ensure that, for example, adult sons or daughters, relatives or carers are still able to receive a maximum of 25% reduction on the council tax bill.
- Maintaining the capital limit at £16,000 ensures that those who have worked and saved hard are not penalised for having made the difficult

decision to do so. Again, there was considerable resident support for this approach.

- There may be cases when individuals, for a number of reasons, are not immediately in a position to claim for council tax support (e.g. in hospital with a serious illness). Restricting backdating to three months ensures that such eventualities are accounted for, and brings the timescales in line with those of pensions. With this in place, it is not considered necessary to have a hardship fund.
- War widows will continue to be supported with a 100% disregard.

5.5 A copy of the local scheme and regulations is available in the Members Room. It will form our local scheme once final approval has been given by Cabinet and Council.

Empty Homes

Proposal

5.6 It is proposed that:

The Local scheme for council tax discounts and premiums in 2013/14 is as follows:

- **No discount for second homes**
- **No discount for re-possessed homes (class L)**
- **50% discount for uninhabitable properties (class A)**
- **Progressive discount for empty homes (class C) - 100% month one, 50% month two, 25% month three, 0% from four months onwards**
- **50% premium for long term empties**

5.7 It is also proposed that:

- **The additional income from these changes is used to offset part of the loss of government funding in 2013/14 and therefore reduce the level of savings required from the local council tax support scheme.**

Reason for recommendation

5.8 Set out below are the reasons why this approach is being put forward:

- The Council considers that a balanced and considered approach is most likely to achieve the additional income projected, as well as meeting the governments' aim of bringing empty homes back into active use.
- There is no reason why, if people own a second home, they are not in a position to pay their council tax in full. A similar argument applies to re-possessed properties.
- For uninhabitable properties there is a risk that if there is no discount applied then the properties may be altered so that they are taken out of

the council tax regime altogether (e.g. demolished or roof taken off). A 50% reduction removes this perverse incentive whilst providing some positive encouragement to get the property back into use.

- The Council considers that a phased reduction in council social landlords in particular to ensure a quick turnaround in void properties, helping to maximise the housing stock available (affordable housing providers are exempt as they are classed as a charity and have six months under this provision). However it will not penalise them immediately which could be seen as overly punitive. This ties in with the view of the majority of residents from the consultation survey.
- Properties which have been empty for more than two years will pay the maximum premium allowed under the government proposals, reflecting the views of residents. It will encourage properties to be brought forward, but it is accepted that there is a risk that owners may try to 'side step' the premium in a number of ways.

5.9 Cabinet should note that this aligns with other Surrey authorities.

6. **Financial implications**

Council Tax Support

- 6.1 Based on the current caseload of £7.00 million in council tax benefit rebate, the net saving required from the new local scheme is £700,000. The risk associated with delivering the savings will be apportioned pro-rata across Spelthorne (11% £77,000), Surrey County Council (76% £532,000) and Surrey Police (13% £91,000).
- 6.2 As stated in the report, the financial risks for local schemes will transfer to local authorities, along with the responsibility for preparing and agreeing schemes. The only financial element that will be fixed prior to the year start is the central government grant, which was announced on 19 December. For Spelthorne this is £590,000.
- 6.3 This report is coming to Cabinet and Council very close to the 31 January deadline. It was considered prudent to do so, on the basis that we wanted to be fully aware of the implications of this grant announcement prior to making our final recommendation. The scheme being presented takes this into account.
- 6.4 Appendix 6 sets out how the savings will be achieved.
- 6.5 There is likely to be some additional administration work in dealing with support queries and particularly with collection. The latter is particularly critical if we are to achieve the expected level of savings. Additional resources are currently being sought for these changes, and are being considered as part of the budget process.
- 6.6 If the Council were to go down the route of the default scheme it would need to find the £77,000 shortfall from either savings elsewhere or by an increase in the council tax. Similarly both the County and Police would need to be able to find a way of bridging their funding gap.

Empty Homes

- 6.7 The greater flexibility being brought about by the technical reform changes will allow the Council to bring in additional income. The proposed changes will bring in £509,000. Appendix 9 sets out how this income will be achieved.
- 6.8 The revenue generated will depend both on the number of properties affected in future years and on the Councils ability to identify and collect the monies due. There is likely to be some additional administration work in identification and collection but this will be significantly less than the boroughs share of the revenue collected. No additional staff are sought for these changes.
- 6.9 The additional revenue is shared by Surrey (76%), Police (13%) and Spelthorne (11%). As the billing authority the borough is responsible for any additional collection costs. Additional revenue raised is not ring fenced for any particular purpose. However the government has suggested that the money could be used to offset part of the savings which Councils need to achieve as part of the local council tax support scheme. We have recommended that this route be taken.
- 6.10 Appendix 10 sets out a summary of the savings to be achieved by the local council tax support scheme, any government funding attracted as a result, along with the income forecast for the changes to council tax discounts and premiums.

7. Other considerations

Equalities Impact Assessment

Council Tax Support

- 7.1 An Equalities Impact Assessment is included at Appendix 11. A summary of the findings are set out below. The following section deals with the impacts of the two options in the report, the default scheme and the scheme based on CLG funding with local variations.

The default scheme

- 7.2 The default scheme already has built in protection for the groups that might be adversely affected by the changes. Protections exist for those who receive a benefit for their disability (via the DWP) and income is ignored for those on disability living allowance. A higher allowance is also paid for lone parents and families with children, and income from child benefit is disregarded.
- 7.3 As part of the current scheme the Government provides an annual grant for a discretionary housing payment scheme. This helps benefit claimants who find themselves in severe hardship. It gives them assistance for a short period to help them sort out their situation. The Governments discretionary hardship funding grant currently covers housing benefit and council tax benefit, but from April 2103 it will only be available for housing benefit.
- 7.4 The Council has power to reduce (partially or fully) the amount payable by a taxpayer to the extent it thinks fit (section 13a). The power could be used to set up a similar hardship scheme to the discretionary housing payments for the default scheme.

- 7.5 Since there would be no further central government grant from next year, the Council would need to make provision for Section 13a payments and the amount of the reduction would be totally funded by Spelthorne.

Local scheme (CLG scheme with local variations) **Recommended**

- 7.6 This scheme is based on the current council tax benefit scheme and has the same built in protections. However, no hardship funding is available. The CLG scheme would require all working age claimants to pay 8.5%. It would not be practical or viable to run a hardship fund for a scheme which would potentially affect up to 3,500 residents.
- 7.7 It is for this reason that the CLG scheme is being varied in a number of ways to ensure that those who fall into the 'protected characteristics' highlighted in the equalities impact assessment are not unduly affected. One particular group highlighted in the consultation were those with a disability and who fall within the definition of a 'vulnerable' person ([Appendix 4](#)). There was a very clear view that additional protection for the vulnerable had to be taken into account, and the local scheme reflects this. As such, it is proposed that a maximum of 5% would be payable by these people.
- 7.8 Retaining the second adult rebate will ensure that, for example, adult sons or daughters, relatives or carers receive additional protection.
- 7.9 The local scheme proposes to retain the capital limit at £16,000 rather than the £6,000 put forward by the Surrey Framework. Whilst a £6,000 limit would maximise the level of savings, it would mean that households would need to use their savings to pay the council tax. As a result, it would not reward those who have worked and saved and would not encourage others to do likewise. The higher limit would also significantly reduce the likelihood that residents might continually move in and out of support if they are on the margin.
- 7.10 The local scheme is looking to keep backdating but to reduce it from six to three months. This will ensure that those residents who fall within one of the 'defined characteristics' are not adversely affected by its complete removal. It takes account of the fact that people may not be in a position to immediately apply for benefit. The majority of those requesting backdating require help with both their rent and council tax so a decision will still need to be made in respect of their housing benefit and the additional work on paying the backdating is likely to be minimal from an administrative point of view.

Empty Homes

- 7.11 An Equalities Impact Assessment is included at [Appendix 12](#). The Council has power under the Local Government Finance Act 1992 to reduce (partially or fully) the amount payable by a taxpayer to a level it thinks fit.

Communications

Council tax support

- 7.12 How we communicate the message about these changes is absolutely essential. Our reputation as a Council will depend on how well we get this difficult message across. Our newly adopted Corporate Plan has Communications as one of its five key priorities and these local schemes

represent a major change to the way the Council operates. We therefore need to get it right first time.

- 7.13 It is critical that all our communication is done in a way that everyone understands, and that we target our efforts on those who will be directly affected. Without this, implementing the schemes and ensuring we achieve the expected income will be even more challenging.
- 7.14 There is a significant amount of work which will need to be done, both before and after the schemes are implemented. Resources have been set aside from the government grant of £84,000 (which was given to Councils to help implement the changes) to send out letters to those who will be affected, along with leaflets explaining the changes (old scheme was.... new scheme is....). In addition, both the Customer Services team and the Housing Benefits team will have additional temporary resource brought in to deal with the influx of queries when bills and reminders go out.
- 7.15 A detailed communications timetable/plan has been developed to ensure that we get the right message out at the right time. The Cabinet Member for Communications will be involved throughout this process. The plan is attached at [Appendix 13](#)

Empty Homes

- 7.16 The will communicate this message in precisely the same way as we will do for council tax support.

8. Risks and how they will be mitigated

Council Tax Support

- 8.1 The government plans to amend the Council Tax Base regulation so that the new Council Tax Support Scheme is taken into account in the calculation of the council tax base (the number of band D equivalent properties used for the purpose of calculating the council tax requirement). The council tax base will be reduced as the billing authority (Spelthorne) and precept authorities (Surrey County and Surrey Police) will be giving up council tax income from properties where support is given. This is covered in the report on this agenda on the Council tax base for 2013-14.
- 8.2 There are risks around the accuracy of forecasts for new schemes and pressures, such as a continuing economic downturn, which may lead to an increase number of people claiming support. Councils are not able to change their local scheme mid year if significant shortfalls in expected income occur. To mitigate this risk, the combination of the local scheme and the council tax discounts and premiums (empty homes) has a built in buffer of 11.5%. This will ensure that any shortfall does not prejudice the overall financial position of the Council.
- 8.3 In order to run the new scheme, changes need to be made to our IT software (Capita). To meet deadlines they have opened up access to the systems parameters which will allow us to establish who will be affected by the scheme and what they will have to pay. Changes to the software need to be tested in January and be ready for annual billing (20 February).
- 8.4 Depending on which scheme is adopted, there will be challenges in collecting the tax due. There are 2,359 small value bills (less than £150) which will need

to be collected and the cost of doing so may exceed the value of the bill. Again, the buffer referred to above will help to mitigate this risk.

- 8.5 The challenges around entitlement and collection will mean we will need to retain staff with the necessary skills. This will be an issue, particularly with the abolition of housing benefit by 2017. More resources may be required to ensure we maximise recovery. If they are required then money will need to be found (as we are not able to use either the CLG or Surrey money for this purpose).
- 8.6 There are still a number of issues which will need to be addressed and included in any new scheme from the outset. This includes the treatment of the new Universal Credit payments which may start in October 2013 for new working age claims, and how fraud can be dealt with since the Local Council Tax Support scheme will be outside the remit of the new Single Fraud Investigation Service.
- 8.7 There is a risk of legal challenge if the public consultation or equalities impact assessment is not deemed sufficient. Considerable efforts were made during the consultation ensure we 'targeted' different groups and that all our communications have been as clear as possible. The final preferred scheme which has been put forward reflects the results of the consultation surveys and the face to face meetings. It is considered that the equalities issues have been addressed (as set out above).
- 8.8 The changes also need to be seen in the light of wider reforms to welfare benefits, including restrictions in the amount of housing benefit that can be paid to under occupied properties in the social sector (April 2013), the £500 per week cap on benefits per household (phased in over Summer 2013) and the introduction of Universal Credit (probably October 2013). It is likely that these changes in conjunction with the move to a local council tax support scheme will affect the same groups of people. All these changes combined may create a risk that a greater number of families will present as homeless and become our responsibility (with increased workloads and additional costs as a result).

Empty Homes

- 8.9 The main risks to the proposed changes are the adverse impacts on individuals or organisations who will not receive the same level of discount on council tax, and in some cases (some empty homes) will have to pay a premium.
- 8.10 The CLG's Impact Assessment said that there should be no general impact on businesses involved in house building and renovation. Their view was that the changes would act as an incentive to bring empty homes back into use.
- 8.11 The main risk is the extra work of implementing the scheme and identifying the properties. There is also a risk around avoidance which is a particular risk in relation to uninhabitable properties and houses which have been empty for more than two years. In some cases there will be difficulties in recovering the money. To mitigate this, the modelling makes realistic assumptions about collection rates for the various elements of the changes.

9. Timetable for implementation

9.1 There are a number of key dates which have to be met:

- (a) 31 January date by which Councils have to agree a local scheme for Council Tax support
- (b) 31 January publish local scheme for Council Tax Support
- (c) 7 February publish notice of final scheme for 'Empty Homes'
- (d) 21 February publish local scheme for 'Empty Homes'
- (e) 14 February submit Transitional Funding Grant submission
- (f) 12 March Annual Billing
- (g) 1 April Local schemes for Council Tax Support & Empty Homes implemented and in use.

Background papers:

Copy of local council tax support scheme is available in the Members Room.

Appendices:

- 1 Surrey Police Authority Consultation reply
- 2 Surrey County Council Consultation reply
- 3 Local scheme for council tax support - consultation feedback and analysis
- 4 Local scheme - definition of 'Vulnerable' claimants
- 5 Benefits and challenges of the options for implementing a local scheme for council tax support
- 6 Impact of two options on the most affected groups in terms of payments
- 7 Ward impact of local scheme
- 8 Benefits and challenges of the options to change council tax premiums and discounts
- 9 Impact of two options in terms of additional income from changes to council tax premiums and discounts
- 10 Financial summary of the local council tax support scheme and changes to council tax premiums and discounts
- 11 Equalities Impact Assessment - local council tax support scheme
- 12 Equalities Impact Assessment – local changes to council tax premiums and discounts
- 13 Communications Plan



**SURREY
POLICE
AUTHORITY**

PO Box 412
Guildford
Surrey
GU3 1BR

Tel: 01483 630200

Fax : 01483 634502

E-mail: spa@surrey.police.uk

Website: www.surreypa.gov.uk

Terry Collier
Assistant Chief Executive
Guildford Borough Council
Spelthorne Borough Council
Council Offices
Knowle Green
Staines TW18 1XB

Sent by email

17th September 2012

Dear Terry,

Council Tax Benefit Localisation

Thank you for your letter received on 4th September in respect of changes to council tax benefit arrangements. I attach an interim response to Spelthorne's proposals.

Surrey Police Authority is keen that Spelthorne's members are able to make decisions on this matter informed by the possible impact on services provided by Surrey Police. However, until the Police Authority has received proposals from all 11 district and borough councils in Surrey, it is unable to evaluate the full extent of the financial or operational impact and cannot therefore, provide a more comprehensive response at this stage.

I do hope that the attached interim response is of use to Spelthorne colleagues.

Yours sincerely,

Alison Bolton
Chief Executive
Surrey Police Authority

cc Peter Williams, Chairman, Surrey Police Authority
Ian Perkin – Treasurer, Surrey Police Authority
Lynne Owens, Chief Constable, Surrey Police

Council Tax Benefit Localisation
Interim Response to Spelthorne Borough Council

Changes to Police Governance and Accountability

At present, responsibility for setting the budget for Surrey Police and determining the police element of council tax precept rests with Surrey Police Authority. From 22nd November 2012, the Police Authority will be abolished and replaced with a single, directly-elected Police & Crime Commissioner (PCC). Any future decisions in respect of budget or precept will be a matter for the PCC.

In the spirit of the Police Authority's commitment to 'business as usual' until November 2012 and to ensure that the interests of Surrey Police are properly understood and represented in any new council tax arrangements, the Authority offers this interim response to the council tax consultation exercise. It should be noted however, that the PCC may wish to take an alternative position once he or she takes up office.

The proposed Spelthorne Scheme

Surrey Police Authority welcomes Spelthorne's proposal to address the reduction in Government funding through savings identified as part of the Surrey Framework and by revenue raised through technical changes. For the Authority, the most significant budgetary pressures will arise where local authorities adopt a 'default' scheme. If such a scheme was put in place across the county, maintaining the same level of support for claimants as exists currently, the net additional cost to Surrey Police Authority, allowing for a 10% reduction in Government funding, would be in the order of £0.8million. Any scheme that results in a reduction in funding of this magnitude will undermine the ability of Surrey Police to keep the public safe and, given around 80% of our costs are employee related, is very likely to result in a reduction in officer numbers and front-line resource.

Surrey Police Authority (and in future the PCC) has a duty to ensure the efficient and effective policing for the county. However, we are dealing with unprecedented financial challenges. The next Comprehensive Spending Review is likely to bring

further financial constraints and the Force's budget faces a number of other significant threats of which council tax benefit changes are just one. Over the past three years we have achieved substantial savings required to match the 20% reduction made to the Police Grant under the Government's austerity measures. We have thus far been able to protect the level of service provided to the public despite a reduction in our gross budget of around £7m, but our ability to preserve the front-line becomes ever more difficult.

Surrey Police Authority therefore welcomes Spelthorne's use of 'micro-savings' and technical changes, where their use is not likely to have a detrimental impact on demands for policing services. We would not want to see an increase in demand for police resources as a result of greater social deprivation in vulnerable groups. We are awaiting the results of county-wide research to determine the extent to which the various savings and technical changes used by councils will close the funding gap.

We would hope that Spelthorne will commit to undertaking a full and detailed Equalities Impact Assessment of its proposals.

Contribution to Costs

We note that some authorities are basing schemes on an assumption that Surrey County Council and Surrey Police Authority will be contributing to the costs of implementing a local scheme or helping to fund any shortfalls. Any possible contribution would need to be balanced by an agreement of a cap on the Authority/PCC's future liability. However, until the Authority has a clearer picture of the total extra collection/recovery costs across the county and the proportion of the 10% savings that will not be delivered through other means, it is not in a position to properly consider a contribution to costs.

Surrey Police Authority

September 2012



Cllr Frank Ayers and Roberto Tambini
 Leader and Chief Executive
 Spelthorne Borough Council
 Council Offices
 Knowle Green
 Staines, TW18 1XB

County Hall
 Penrhyn Road
 Kingston-upon-Thames
 Surrey KT1 2DN

1 October 2012

Dear Frank and Roberto

CONSULTATION ON LOCALISING SUPPORT FOR COUNCIL TAX

Thank-you for your letter of 4 September giving details of the options you are considering in relation to the above and for the opportunity to comment on them. There are a number of issues that we would particularly like to raise with you and these are set out in the following paragraphs. We hope that the points made will be taken in the spirit of partnership in which they are intended.

General

We are disappointed that your general stance to localisation is potentially materially different from the interim solution for 2013/14 agreed at the Surrey Chief Executives' and Surrey Treasurers' meeting on 7 August, i.e. the Surrey Framework Scheme.

You will be aware from parallel work being undertaken by Surrey Treasurers' Association, that the estimate of the gross funding gap for your council is currently £700k.

The county council's priorities and approach

Our key priorities in approaching this matter have been fourfold:

- to preserve the current high council tax collection fund rate;
- to avoid indirect cost consequences on county and district council services of any changes to local schemes;
- to ensure a joined up partnership actions on this, business rates pooling and Surrey's economic growth strategy; and
- to avoid detrimental impacts on front line policing.

We understand, from your letter, that you are considering means to optimise income from reducing or eliminating Class A and Class C vacant property exemptions. We note that you make no mention of discounts associated with second homes, which is an agreed element of the Surrey Framework Scheme, but assume from the figures returned for the STA analysis that this is also being considered. We also note that you are considering levying a premium on long term empty properties at a rate that is less than the maximum. It is our understanding (based on the most recent STA figures) that if you were to adopt only those elements of the Surrey Framework Scheme that you are currently considering, the funding gap for your authority would be approximately £600k.

Additional local scheme criteria

We note that you are also considering additional options that go beyond the minimal scheme changes discussed and agreed by Surrey Chief Executives and Surrey Treasurers for 2013/14 (the Surrey Framework Scheme), in particular:

- grace periods and tapered discounts for Class C exemptions;
- phased introduction of the changes to council tax discounts and exemptions;
- increasing the earnings disregard for work up to 24 hours per week;
- protections for disabled claimants;
- protections for claimants with children under 5 yrs;
- limiting the impacts of scheme changes on working age claimants; and
- applying a blanket percentage reduction to the support provided to claimants (reductions of 18% and 21% are under consideration).

These criteria potentially imply considerable equalities implications which, as you know, will need to have been explored thoroughly before the scheme is finalised. As you will be aware from discussions on the issue, we consider the EIA to be an area of considerable risk and therefore do not support adoption of these criteria at this time and urge you to reconsider their inclusion in your 2013/14 scheme, for the reasons already mentioned.

Other specific concerns

To address the specific issues on which you have requested our comments:

To what extent should optimising council tax flexibilities be part of the package to limit the reductions in council tax support? - In our view the inclusions within the Surrey Framework Scheme (reduction/ elimination of second home and Class C discounts/ exemptions) represent the extent to which this should be the case for 2013/14.

Should the full government funding cuts be reflected in local schemes? – As you will be aware, we championed and so fully support the adoption of the Surrey Framework Scheme for 2013/14. This requires relatively small changes to scheme criteria and the elimination of some council tax discounts or exemptions to help to mitigate the funding gap. We do not support making cuts in support to the extent required fully to meet the funding gap.

Where should the reductions in council tax support fall? – As already stated, the only reductions in support that we support are those reflected in the 'savings' element of the Surrey Framework Scheme.

Appendix 1: Equalities Issues

1. As part of our consultation response to Spelthorne Borough Council's proposals for a localised Council Tax support scheme, we have identified a number of equalities issues that may need to be mitigated as the proposals are developed.
2. In identifying these issues, we have been mindful of our responsibilities under the Public Sector Equality Duty, which also apply to Spelthorne Borough Council. This requires local authorities to demonstrate due regard for the aims of the Equality Act in decision making. We have considered both general equalities issues and issues which relate to each of the protected characteristics identified in the Equality Act.

General equalities issues

3. The consultation letter acknowledged the need to undertake an Equalities Impact Assessment before finalising the localised Council Tax support scheme. Where possible the findings of this assessment should be considered as early as possible; analysis of the implications should inform the development of the scheme rather than being assessed once firm ideas are in place.
4. It would also be helpful if equalities implications were included in the public consultation, to ensure that residents are aware of the implications of each of the proposals.
5. We recognise that in some instances it may be difficult to identify the impact of these proposals on different protected characteristics. We convene an External Equalities Advisory Group which has representation from a range of organisations that support and/or represent people with protected characteristics. Spelthorne Borough Council could potentially use this body to gather feedback on its proposals to localise Council Tax support.
6. Spelthorne Borough Council could also consider using resident data to strengthen its understanding of the impact its proposals could have. A wide range of information is available on Surreyj the local information system for Surrey.

Specific equalities issues

7. In addition to these general comments, the proposals contained within Spelthorne Borough Council's consultation letter raised a number of specific issues that may need further equalities analysis.

No backdating where a claim is delayed

8. A claim can be backdated where a person is late in making a claim and can show that there were good reasons for the delay. Spelthorne Borough Council is proposing to remove the ability to backdate a claim.
9. A person suffering a long-term illness or having had an accident that causes **disability** may be unable to make an immediate claim due to their personal circumstances. Currently they would be able to make a backdated claim at a later date; this proposal could remove or limit this opportunity. Spelthorne Borough Council should consider the circumstances in which such claims have been made in recent years. This will allow it to identify whether the above circumstances have previously been reasons for claiming and therefore whether this change is likely to disadvantage disabled people.

18. **Disabled people** are more likely to work part-time³ so are more likely to be affected by change to the earnings disregard. They may also struggle to work the additional hours proposed in some schemes⁴ and therefore may be disadvantaged by this proposal. Spelthorne Borough Council should consider whether this proposal will disproportionately affect people with disabilities.

Empty/ vacant dwellings

19. A variety of discounts are available for empty dwellings undergoing repair, vacant dwellings and long-term empty dwellings. Spelthorne Borough Council is considering amending the discounts available.
20. People with a **disability** and those with a long-term illness may move out of their home to receive care but keep their home, leaving it vacant. Spelthorne Borough Council should consider whether in these circumstances disabled people would be disadvantaged by this change.
21. **Older people** may also require adaptations to their homes that constitute major repairs and may leave their property vacant while this is underway. It is also possible they will enter residential care and leave their home vacant. Spelthorne Borough Council should consider whether in these circumstances older people would be disadvantaged by this change.

³ Equality and Human Rights Commission: *The under-pensioned: disabled people and people from ethnic minorities*, 2008

⁴ 25% of disabled people working part-time claim they do so as a result of their disability. Taken from Department for Education and Employment: *Employment of disabled people: Assessing the extent of participation*, 1998

COUNCIL TAX SUPPORT CONSULTATION

December 2012



APPENDIX 3

Table of contents

Purpose 1
Background..... 1
Methodology 2
Analysis 3
Results..... 4
Response Rate 4
Individual responses from organisations 9
Conclusion 11

APPENDIX 3**Purpose**

The purpose of this report is to present the findings of the Council Tax Support and 'Empty Homes' Consultation. The aim of the consultation was to help develop a new Local Council Tax Support scheme in light of the changes introduced by the Government. The consultation also covered the local Technical Reforms to the Council Tax covering 'Empty Homes'.

The objectives are to:

- Measure the levels of agreement against each of the questions.
- Identify the most popular options and restrictions for each.
- Identify which group's respondents believe that need added protection.

Background

The Government has announced that from 1 April 2013 Council Tax Benefit will be replaced by a localised support scheme to help people on a low income with their Council Tax. The Government plans to reduce the finding for this benefit by at least 10% nationally and has tasked councils with developing their own local schemes.

Spelthorne Borough Council developed a number of possible options and the following questions were identified:

1. Do you think that Council Tax should be raised to cover the cost of these changes?
2. Do you think services should be cut to fund the benefit gap?
3. Should people who cannot work be given more Council Tax benefit than those who could work but are unemployed?
4. Should people with savings of less than £16,000 be asked to use these savings to pay their Council Tax?
5. Should people who receive Council Tax Benefit who are in properties with a high Council Tax Band (F) be asked to pay more under a new scheme?
6. Everyone should pay something. Should we ask all working age people who are currently not working to pay 18% of their Council Tax liability?
7. Should there be a minimum weekly limit of benefit for which people qualify and at what level should it be set?
8. Should lone parents with children under 5 receive more benefit protection than other Council Tax payers?
9. Should people with disabilities be protected from the Council Tax benefit cuts?
10. Should people currently working but on a low income be protected from the Council Tax benefit cuts?

11. Do you think owners of uninhabitable properties (either derelict or under structural alteration) should pay full Council Tax?
12. Do you think owners of empty/unfurnished properties should pay full Council Tax?
13. Do you think that owners of empty/unfurnished properties should have a period of exemption from paying full Council Tax? If so how long?
14. Do you think that properties empty for over two years should be liable for a premium to encourage re-occupation? If so how much?
15. Do you have any general comments?

This consultation gave the public and organisations the opportunity to share their level of agreement and preferred restrictions with the Council on the above questions.

Methodology

1. Questionnaire Development

The questionnaires were developed by Revenues and Benefits staff with input from the Communications team.

The questions were based on the following:

- Questions around possible options.
- Equalities monitoring.

2. Methodology

The consultation began on 10 September 2012 and closed on 24 December 2012.

To ensure that as many people were involved in the consultation various different mechanisms were used to engage members of the public.

The following groups were directly invited to take part in the consultation:

- Current Council Tax Benefit Recipients: All current working age Council Tax Benefit recipients were sent a paper copy of the questionnaire with a return envelope. Only the working-age benefit recipients were chosen as pensioners are exempt from the changes in support (3,470).
- Council Tax Payers: 20 randomly chosen households from all parish wards within the borough were sent a paper copy of the questionnaire with a return envelope (3,401).
- Owners of empty properties: All owners of empty properties on the council's database were sent a paper copy of the questionnaire with a return envelope (807).
- Residents Associations/Amenity Groups: All groups were sent a number of paper copies and the questionnaire with a return envelope (43).
- Housing Associations: All the council's affordable housing providers and preferred partners were sent paper copies of the questionnaire and a return envelope (10).

APPENDIX 3

- A2 Dominion: 1,000 leaflets and questionnaires with freepost were available for clients when visiting A2D's offices.
- A2 Dominion: A face to face consultation meeting held on 15 November 2012.
- Citizen's Advice Bureau: A face to face consultation meeting was held on 25 October 2012. Leaflets and questionnaires were also available at their reception.

There were also other methods used to try and engage residents:

- Spelthorne Borough Council Buildings: Leaflets and paper copies of the questionnaire were available at reception and the Housing Benefits enquiry counter.
- Voluntary Action in Spelthorne: An electronic link was sent to the Manager of VAIS which they circulated to their database of local organisations and individuals.
- Spelthorne Local Strategic Partnerships: A staffed stand with leaflets and advice was provided at the LSP event on 27 September 2012. Informal discussions took place with A2 Dominion (tenant engagement officer), Open Door Church, Surrey Disabled People Partnerships, Transform Housing, Surrey Lifelong Learning Partnership, Stroke Association, Manna Bank, Sunbury Leisure Centre, Surrey Faith Group and Police Community Support Officers. Leaflets and paper copies of the questionnaire were also given to these groups.
- Neighbourhood Watch: Paper copies of the questionnaire were provided.
- Health Centres/Sure Start Centres: Paper copies of the questionnaire and leaflets were provided.
- Rent Start: Paper copies of the questionnaire and leaflets were provided.
- Libraries: Paper copies of the questionnaire and leaflets were provided.
- Media Releases/Newspapers/Press: Media releases of the consultation were sent to all media contacts to ask them to promote the consultation to their readers.
- Spelthorne Borough Council: A Council Tax Support consultation webpage was created specifically for the consultation and included an electronic link to the questionnaire.

Analysis

All electronically completed questionnaires were imported into SNAP 10 software, which is used to analyse the information. The paper questionnaires were also input into SNAP.

'Closed' question analysis: (tick box answers). The answers were analysed to show the percentage of respondents who selected an option. The results are presented in charts and tables.

'Open-ended' analysis: (free text answers). The comments were reviewed and grouped into the most common themes. These were then analysed and comments provided in a table format.

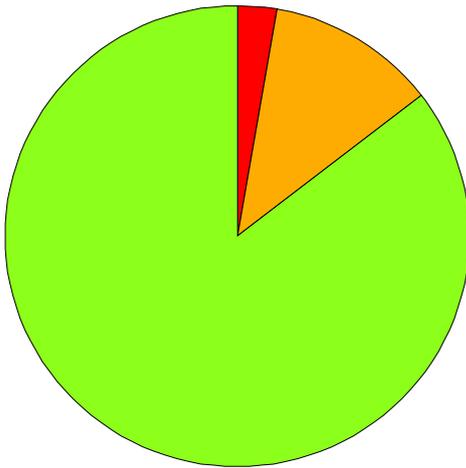
Results

Response Rate

A total of 8,600 questionnaires were sent out of which 1,492 were completed, a response rate of 17.3%.

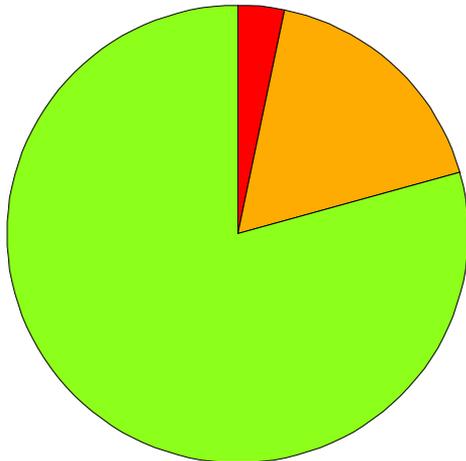
Questionnaire Results:

1. Do you think that Council Tax should be raised to cover the cost of these changes?



		Number	%
	Yes	176	11.8%
	No	1275	85.5%
	No reply	41	2.7%

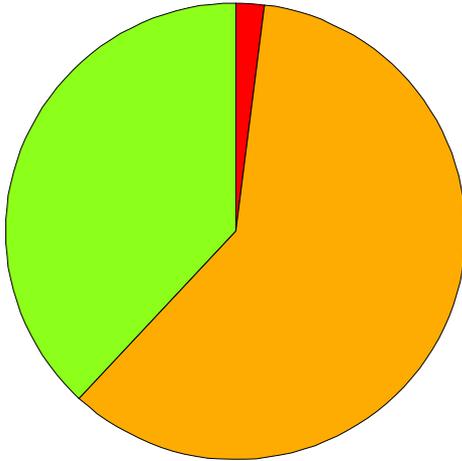
2. Do you think services should be cut to fund the benefit gap?



		Number	%
	Yes	261	17.5%
	No	1183	79.3%
	No reply	48	3.2%

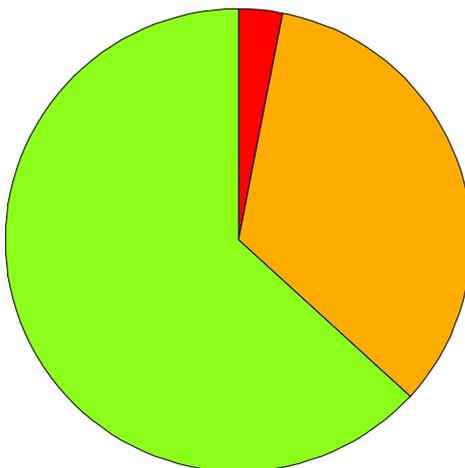
APPENDIX 3

3. Should people who cannot work be given more Council Tax benefit than those who could work but are unemployed?



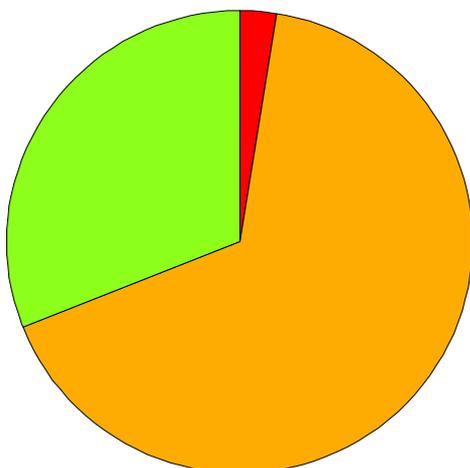
		Number	%
	Yes	895	60.0%
	No	567	38.0%
	No reply	30	2.0%

4. Should people with savings of less than £16,000 be asked to use these savings to pay their Council Tax?



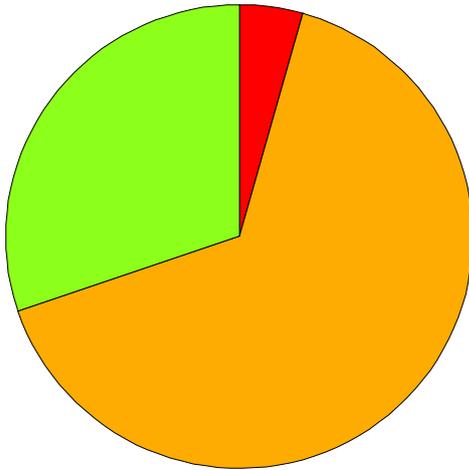
		Number	%
	Yes	504	33.8%
	No	943	63.2%
	No reply	45	3.0%

5. Should people who receive Council Tax Benefit who are in properties with a high Council Tax Band (F) be asked to pay more under a new scheme?



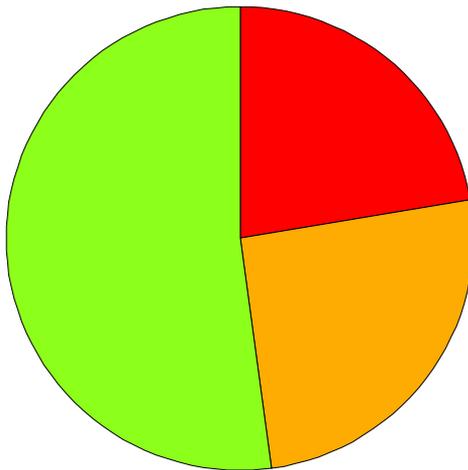
		Number	%
	Yes	991	66.4%
	No	463	31.0%
	No reply	38	2.5%

6. Everyone should pay something. Should we ask all working age people who are currently not working to pay 18% of their Council Tax liability?



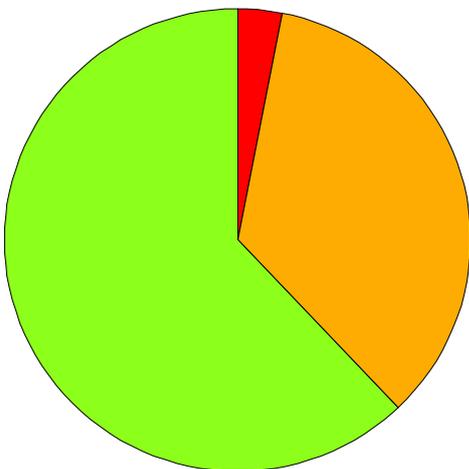
		Number	%
	Yes	976	65.4%
	No	451	30.2%
	No reply	65	4.4%

7. Should there be a minimum weekly limit on benefit for which people qualify and at what level should it be set?



		Number	%
	50p	383	25.7%
	£5	777	52.1%
	No reply	332	22.3%

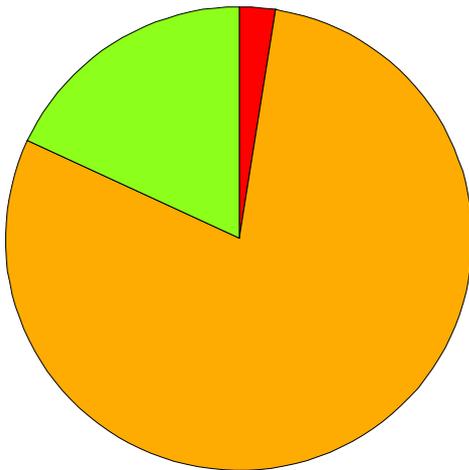
8. Should lone parents with children under 5 receive more benefit protection than other Council Tax payers?



		Number	%
	Yes	518	34.7%
	No	928	62.2%
	No reply	46	3.1%

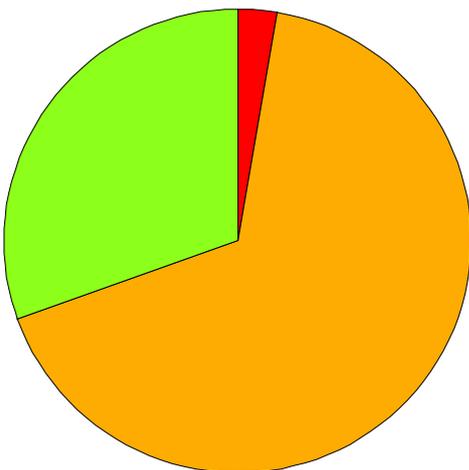
APPENDIX 3

9. Should people with disabilities be protected from the Council Tax benefit cuts?



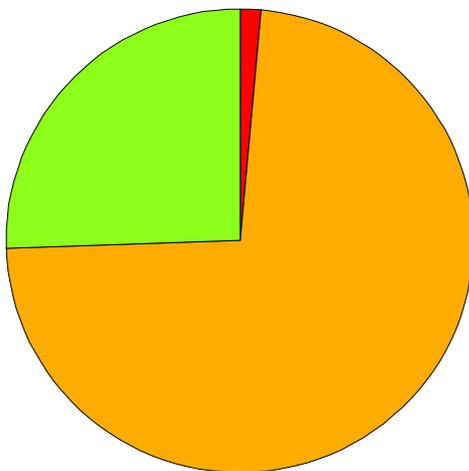
		Number	%
	Yes	1186	79.5%
	No	269	18.0%
	No reply	37	2.5%

10. Should people currently working but on a low income be protected from the Council Tax benefit cuts?



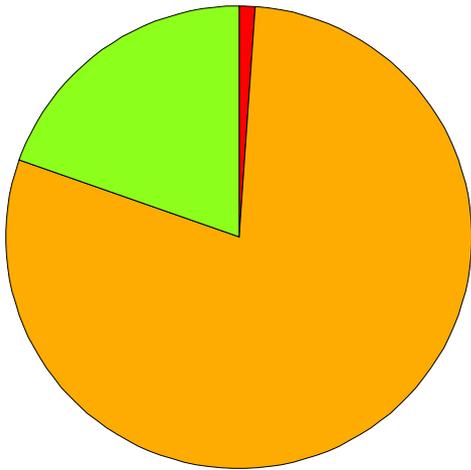
		Number	%
	Yes	998	66.9%
	No	454	30.4%
	No reply	40	2.7%

11. Do you think owners of uninhabitable properties (either derelict or under structural alteration) should pay full Council Tax?



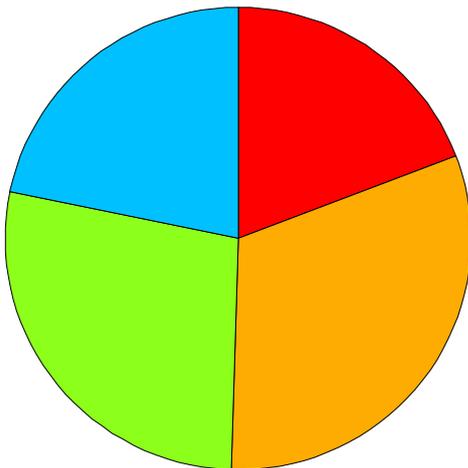
		Number	%
	Yes	1090	73.0%
	No	380	25.5%
	No reply	22	1.5%

12. Do you think owners of empty/unfurnished properties should pay full Council Tax?



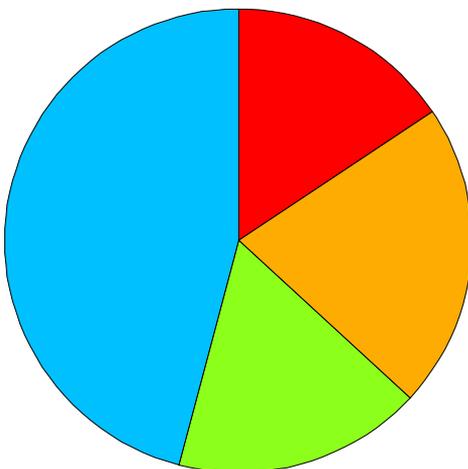
		Number	%
	Yes	1184	79.4%
	No	291	19.5%
	No reply	17	1.1%

13. Do you think that owners of empty/unfurnished properties should have a period of exemption from paying full Council Tax? If so how long?



		Number	%
	One month	470	31.5%
	Three months	413	27.7%
	Six months	323	21.6%
	No reply	286	19.2%

14. Do you think that properties empty for over two years should be liable for a premium to encourage re-occupation? If so how much?



		Number	%
	20%	317	21.2%
	35%	256	17.2%
	50%	686	46.0%
	No reply	233	15.6%

APPENDIX 3

15. Do you have any general comments?

487 (32.6%) respondents added further comments. The following table provides a summary of the most commonly themed comments:

Those who have second or empty homes should pay full council tax 63 comments	Everyone should pay something towards their council tax 61 comments	Safeguard pensioners 57 comments
Working age people should pay full council tax 41 comments	Severely disabled people need to be protected 32 comments	People should not subsidize those who choose not to work 30 comments
Don't penalise those who have worked very hard to save 28 comments	Ensure that those on benefits and claiming disability are truly deserving 22 comments	Unemployed and those on low income should not be expected to pay the brunt of the country's economic problems 19 comments
Working people on low salaries should receive some form of protection to ensure they can remain in work 19 comments	Generate savings looking a local government pensions and council staff salaries 16 comments	Encourage people to downsize to free up homes and get make empty properties available for the homeless 14 comments
Pursue those people who do not pay council tax and who should 13 comments	Single parents with children under 5 who cannot work should be given some protection 12 comments	Review what the council does and whether or not it needs all the staff/services it currently provides 10 comments
Relying on elected members to make an informed decision on this difficult matter 7 comments	Compulsorily purchase empty homes 7 comments	Need to look at single person rebate as an option 5 comments

Individual responses from organisations**A2 Dominion**

As the main affordable housing provider, a meeting was held with A2Dominion to explain the scheme, and listen to their comments. In their view, any local scheme for council tax support

should minimise the possible impact on their clients. They expressed concern that the combination of this change, along with the benefit cap, changes to under occupation and universal credit would create a real challenge for some of its clients.

Their clear preference was for the default scheme (which would not change the benefits that residents receive but the 10% saving would need to be funded by Spelthorne, Surrey County and Surrey Police).

At the time the meeting took place, the Council was considering not allowing any backdating. A2Dominion were concerned that this might unduly prejudice some of their clients who may not have been in an immediate position to apply for support as soon as their situation changed. In light of a number of comments from various organisations our preferred scheme now allows for a three month backdating period.

At a further meeting, A2Dominion asked for clarification as to whether they would be exempt from the changes to empty homes. It has since been confirmed by the Head of Customer Services that due to their charitable status they are exempt from any changes which might be brought in for empty homes.

Citizen's Advice Bureau

The CAB give a lot of advice to Spelthorne residents who are facing potential difficulties and their views on a proposed scheme were key. In their view, any local scheme for council tax support should minimise the possible impact on residents. They expressed concern that the combination of this change, along with the benefit cap, changes to under occupation and universal credit would create a real challenge

At the time the meeting took place, the Council was considering not allowing any backdating. The CAB were very concerned that this might unduly prejudice some people who may not have been in an immediate position to apply for support as soon as their situation changed. Their firmly held view was that if this was to go ahead then a hardship fund would be required to assist vulnerable people in particular.

In light of a number of comments from various organisations our preferred scheme now allows for a three month backdating period.

Royal British Legion

The RBL contacted us by letter to 'strongly urge' us to ensure that we provided a 100% disregard of military compensation payments (including war disablement pensions, war widows pensions and armed forces compensation payments). Their view was that it was not appropriate for such payments to be considered as part of council tax support scheme (in recognition of 'commitment to the nation').

Conclusion

The aim of this conclusion is to summarise the findings of the consultation.

General

There was a clear consensus that council taxes should not be increased to cover the cost of the local council tax support scheme (85.5%). Similarly, there was a widely held view that services should not be cut either (79%). Both of these indicate broad support for a scheme where those who currently are in receipt of benefit pay something, and that those who have more than one property should pay accordingly.

A number of individual comments however stated that the Council (as part of a continual process) look at what services it provides, how much they cost and ensure that levels of management are the minimum required.

Of those who replied, 65% felt that everyone should pay something towards their council tax, regardless of the position in which people found themselves. The survey indicated that the level being considered at the time was an 18% cut. This view was echoed in a number of the additional comments which were received.

Council tax support

Nearly two thirds of respondents (60%) thought it was right to give those who cannot work more council tax benefit than those who choose not to. This rose to 79.5% when people were asked whether or not people with disabilities should be protected from council tax benefit cuts. This was the most definitive response from all the questions, and clearly indicates a clear view that this equality group should receive protection.

Where people had savings of over £16,000, 63% of people thought that this money should be used to pay for their council tax. In a similar vein, two thirds of respondents (66%) took the view that if you lived in a higher band property (band F) then you should be asked to pay more under the new local scheme. A slightly higher percentage (67%) said that working people on low incomes should be protected from the cuts in some way.

There were a number of individual responses where it was said that people on low incomes should not be unduly penalised, and that those who had saved should not be adversely affected by the changes. A number of comments also reflected the need to ensure that the local scheme actively encouraged working people on low incomes to remain in work.

62% of those surveyed felt that lone parents with children under 5 should not receive more benefit protection. This was reflected in a number of individual comments which focused on the fact that many people are not able to have a large family because they cannot afford to, whereas the perception was that this may not be the case for those on benefit.

On the issue of a minimum weekly limit on benefit for which people qualify, just over half (52%) said the limit should be £5, with 25% stating 50p and 22% giving no reply. There was no very strong view on this matter, but there was a majority who felt it should be at the higher level.

Council tax premiums and discounts

The view of residents on the issue of empty properties was very emphatic, with 79% of respondents saying that owners should pay full council tax (not the reduction as now). This

was strongly echoed by the strength and number of the individual comments which were received. A number of people commented that more focus should be put on getting people to downsize to free up family accommodation, and several also mentioned compulsorily purchasing empty homes to help those on the council's housing register.

Opinion on how long any exemptions should remain in place before an owner is required to pay full council tax was split. This was due to the number of options were open to individuals. Whilst 31.5% thought the exemption should only be for one month, 21.6% felt it should only apply after six months. Taking the two options on one and three month exemptions together, there was a majority of 59.2% (whereas the percentage for three and six months was 49%). The views given do not point to any particular conclusion on this matter.

However, there was a clear majority view on the premium that should be paid for long term empty properties (over two years). 46% of respondents considered it would be acceptable to charge a premium of 50%, whereas 17% of respondents thought it should be 35%, and 21% of residents thought the premium should only be 20%. Whilst there was not an overwhelming majority, there was a clear preference for a 50% premium.

Council Tax Support Scheme

Please could you answer the following questions?

Q1	Do you think that Council Tax should be raised to cover the cost of these changes?	
	Yes.....	176 (11.8%)
	No.....	1275 (85.5%)
Q2	Do you think services should be cut to fund the benefit gap?	
	Yes.....	261 (17.5%)
	No.....	1183 (79.3%)
Q3	Should people who cannot work be given more Council Tax benefit than those who could work but are unemployed?	
	Yes.....	895 (60.0%)
	No.....	567 (38.0%)
Q4	Should people with savings of less than £16,000 be asked to use these savings to pay their Council Tax?	
	Yes.....	504 (33.8%)
	No.....	943 (63.2%)
Q5	Should people who receive Council Tax Benefit who are in properties with a high Council Tax Band (F) be asked to pay more under a new scheme?	
	Yes.....	991 (66.4%)
	No.....	463 (31.0%)
Q6	Everyone should pay something. Should we ask all working age people who are currently not working, to pay 18% of their Council Tax liability?	
	Yes.....	976 (65.4%)
	No.....	451 (30.2%)
Q7	Should there be a minimum weekly limit on benefit for which people qualify and at what level should it be set?	
	50p.....	383 (25.7%)
	£5.....	777 (52.1%)
Q8	Should lone parents with children under 5 receive more benefit protection than other Council Tax payers?	
	Yes.....	518 (34.7%)
	No.....	928 (62.2%)
Q9	Should people with disabilities be protected from the Council Tax benefit cuts?	
	Yes.....	1186 (79.5%)
	No.....	269 (18.0%)

- Q10** Should people currently working but on a low income be protected from the Council Tax benefit cuts?
- | | |
|----------|-------------|
| Yes..... | 998 (66.9%) |
| No | 454 (30.4%) |
- Q11** Do you think owners of uninhabitable properties (either derelict or under structural alteration) should pay full Council Tax?
- | | |
|----------|--------------|
| Yes..... | 1090 (73.1%) |
| No | 380 (25.5%) |
- Q12** Do you think owners of empty/unfurnished properties should pay full Council Tax?
- | | |
|----------|--------------|
| Yes..... | 1184 (79.4%) |
| No | 291 (19.5%) |
- Q13** Do you think that owners of empty/unfurnished properties should have a period of exemption from paying full Council Tax? If so how long?
- | | |
|-------------------|-------------|
| One month | 470 (31.5%) |
| Three months..... | 413 (27.7%) |
| Six months | 323 (21.6%) |
- Q14** Do you think that properties empty for over two years should be liable for a premium to encourage re-occupation? If so how much?
- | | |
|----------|-------------|
| 20%..... | 317 (21.2%) |
| 35%..... | 256 (17.2%) |
| 50%..... | 686 (46.0%) |
- Q15** Do you have any general comments?
- 487 (32.6%)

About you

Spelthorne Borough Council is committed to providing services that meet the needs of everyone who lives in, works in or visits our borough. Please help us by providing information about yourself.

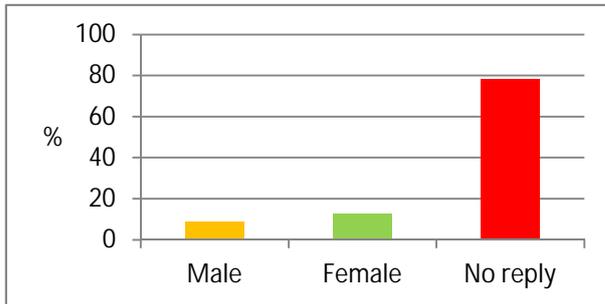
- Q16** What is your postcode?
1093 (73.3%)
- Q17** What is your gender?
Male 128 (8.6%)
Female 193 (12.9%)
- Q18** Have you changed your gender since birth or are you planning on changing your gender?
No 305 (20.4%)
Yes 2 (0.1%)
- Q19** What is your age?
304 (20.4%)
- Q20** What is your sexual orientation (who are you attracted to)? Please tick one of the following:
Heterosexual (a man attracted to a woman, or a woman attracted to a man) 252 (16.9%)
Gay (a man attracted to another man) 10 (0.7%)
Lesbian (a woman attracted to another woman) 3 (0.2%)
Bisexual (a man attracted to both a man and a woman or a woman attracted to both a man and a woman) 3 (0.2%)
Prefer not to say 33 (2.2%)
- Q21** What is your religious belief?
Christian 177 (11.9%)
Muslim 13 (0.9%)
Jewish 2 (0.1%)
Hindu 3 (0.2%)
Buddhist 1 (0.1%)
Sikh 2 (0.1%)
Other 100 (6.7%)
Please specify: 105 (7.0%)
- Q22** What is your ethnic origin?
White 266 (17.8%)
Mixed 4 (0.3%)
Asian/Asian British 18 (1.2%)
Black/Black British 7 (0.5%)
Chinese 3 (0.2%)
Other ethnic background 5 (0.3%)
Please specify: 6 (0.4%)

Q23 Do you consider yourself to have a disability?

No	188 (12.6%)
Yes.....	125 (8.4%)

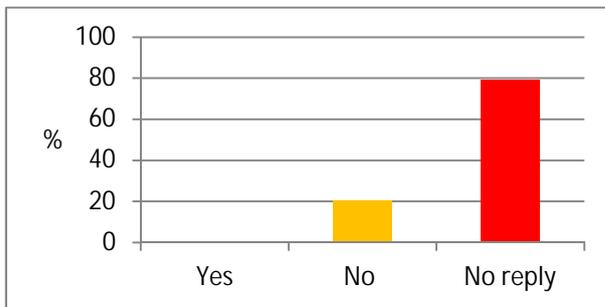
About You

Q17. What is your gender?



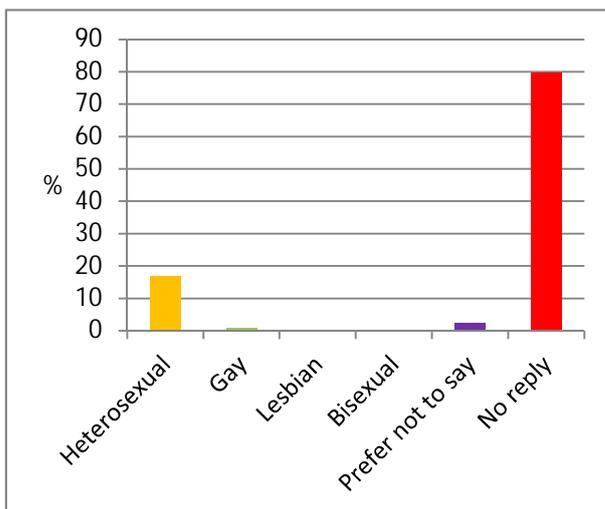
		Number	%
	Male	128	8.6%
	Female	193	12.9%
	No reply	1171	78.5%

Q18. Have you changed your gender since birth or are you planning on changing your gender?



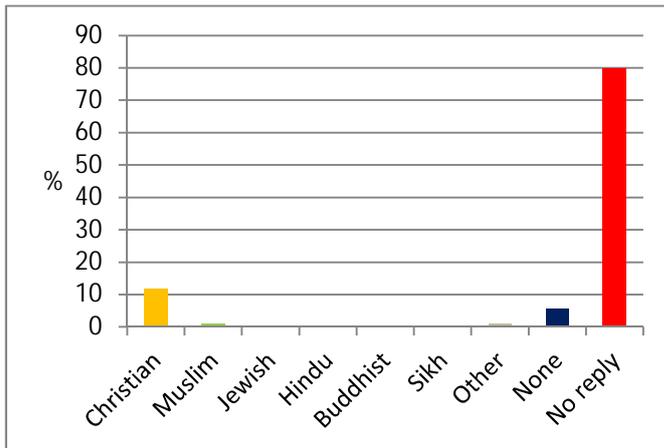
		Number	%
	No	305	20.4%
	Yes	2	0.1%
	No reply	1185	79.4%

Q20. What is your sexual orientation (who are you attracted to?)



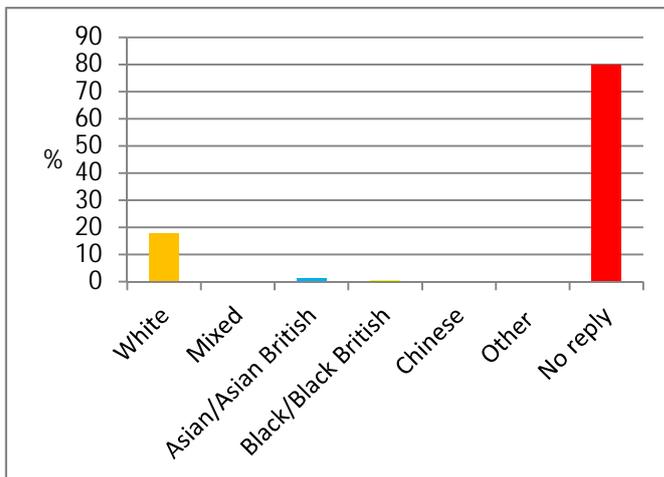
		Number	%
	Heterosexual	252	16.9%
	Gay	10	0.7%
	Lesbian	3	0.2%
	Bisexual	3	0.2%
	Prefer not to say	33	2.2%
	No reply	1191	79.8%

Q21. What is your religious belief?



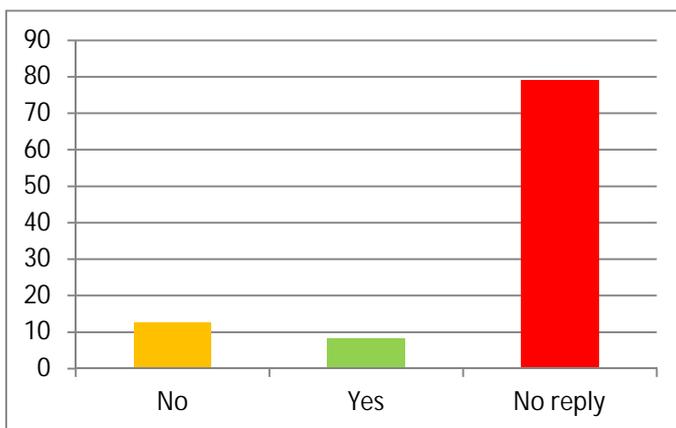
		Number	%
	Christian	177	11.9%
	Muslim	13	0.9%
	Jewish	2	0.1%
	Hindu	3	0.2%
	Buddhist	1	0.1%
	Sikh	2	0.1%
	Other	16	1.1%
	None	84	5.6%
	No reply	1194	80.0%

Q22. What is your ethnic origin?



		Number	%
	White	266	17.8%
	Mixed	4	0.3%
	Asian/Asian British	18	1.2%
	Black/Black British	7	0.5%
	Chinese	3	0.2%
	Other	5	0.3%
	No reply	1189	79.7%

Q23. Do you consider yourself to have a disability?



		Number	%
	No	188	12.6%
	Yes	125	8.4%
	No reply	1179	79.0%

APPENDIX 4

Unable to work due to vulnerability

Qualifying Premiums	Qualifying Criteria / Qualifying Benefits
<p>Disability Premium</p> <p>Either as a standard case or as part of the calculation of entitlement to Income Support (IS), Employment and Support Allowance (ESA) or Job Seekers Allowance (JSA)</p>	<p>Where person claiming or their partner receives:</p> <ul style="list-style-type: none"> ❑ Disability Living Allowance (DLA) ❑ Severe Disability Allowance ** ❑ Incapacity Benefit ** - Long term rate ❑ Income Support – Incapacity ** ❑ Working Tax Credit - Disability or Severe Disability element
<p>Enhanced Disability Premium</p> <p>Either as a standard case or as part of the calculation of entitlement to IS, ESA or JSA</p>	<p>Where person claiming or their partner receives:</p> <ul style="list-style-type: none"> ❑ Disability Living Allowance (DLAC) High rate of Care component ❑ Employment Support Allowance (ESA) Support group component
<p>Severe Disability Premium</p> <p>Either as a standard case or as part of the calculation of entitlement to IS, ESA or JSA</p>	<p>Where person claiming receives:</p> <ul style="list-style-type: none"> ❑ Disability Living Allowance (DLAC) Middle or High rate of Care component. ❑ Attendance Allowance at Middle or High rate ❑ Must not be in receipt of a Carers allowance
<p>Disabled Child Premium</p>	<ul style="list-style-type: none"> ❑ Disabled child premium for a child who is blind ❑ Receives Disability Living Allowance
<p>Enhanced Disability Premium for Dependants</p>	<ul style="list-style-type: none"> ❑ In respect of a child in receipt of DLAM High
<p>Disabled Earnings Disregard</p>	<ul style="list-style-type: none"> ❑ Employment Support Allowance (ESA) Work related component ❑ Incapacity Benefit ❑ Severe Disablement allowance ❑ Permitted to work up to £95 per week
<p>War Disablement Pension</p>	<ul style="list-style-type: none"> ❑ Disabled during the war ❑ Disabled serving for HM Armed Forces

APPENDIX 5

LOCAL COUNCIL TAX SUPPORT OPTIONS

Benefits and Challenges

The Default Scheme
Description
<ul style="list-style-type: none"> Implement a Local Council Tax Support Scheme based on the current national council tax benefit scheme
Benefits
<ul style="list-style-type: none"> Minimum impact on existing households to support under the current benefits scheme No extra collection or recovery costs No adverse impact on collection rates Protection for the most vulnerable in the current scheme maintained Least chance of legal challenge
Challenges
<ul style="list-style-type: none"> Reduction in government funding support impacts on Surrey County Council, Surrey Police and Spelthorne Borough Council providing less income for services or requiring income to be raised from other sources to prevent cost falling on general tax payer Does not achieve reduction in expenditure on welfare benefits in line with central government spending plans Potential for harder reductions for those on low income in future years with more public spending cuts

The Local Scheme (preferred option)
Description
<ul style="list-style-type: none"> Implement a local council tax support scheme based on the current national council tax benefit scheme but with all working age households expected to make a contribution but where no contribution is currently paid this will be capped at 8.5%, subject to specific changes to criteria used (95% protection for vulnerable people, retain second adult rebate, retain £16,000 capital limit, three month backdating)
Benefits
<ul style="list-style-type: none"> Reduction in council tax support is spread across all claimants other than pensioners The scheme ties in with the proposal from central government and would receive CLG transitional funding (for Surrey County Council, Surrey Police and Spelthorne Borough Council) Everyone contributes to council tax, but there would be some additional protection for vulnerable people, who would only pay a maximum of 5% if they pay nothing at the moment The 8.5% payment will ensure that working families are not unduly penalised by the scheme Retaining second adult rebate means that adult carers who provide vital support will not be adversely affected Those with savings will not be required to use those savings to pay council tax which would penalise those who work hard and save. It also ensures that people do not move constantly in and out of the council tax support scheme There may be cases when individuals, for a number of reasons, are not immediately in a position to claim for council tax support.

APPENDIX 5

<ul style="list-style-type: none"> Restricting backdating to three months ensures that such eventualities are accounted for, and brings the timescales in line with those of pensions.
Challenges
<ul style="list-style-type: none"> Small number of households affected but for those households loss of support will be higher Reduction in government funding support still impacts on Surrey County Council, Surrey Police and Spelthorne Borough Council providing less income for services or requiring income to be raised from other sources to prevent cost falling on general tax payer Only achieves partial reduction in expenditure on welfare benefits falling short of central government spending plans Potential for harder reductions for those on low income in future years with more public spending cuts Some additional protection may be required for the most vulnerable households Challenges around collection rates on small value bills

The Surrey Framework Scheme
Description
<ul style="list-style-type: none"> Implement a local council tax support scheme based on the current national council tax benefit scheme, subject to specific changes to criteria used (removal of second adult rebate, reduce capital limit, restrict minimum amount of benefit paid, restrict support to a specified property band value, remove backdated awards)
Benefits
<ul style="list-style-type: none"> Reduction in support targeted rather than across the board Limits the number of households affected Limited extra collection/recovery costs Supported by Surrey County Council
Challenges
<ul style="list-style-type: none"> Small number of households affected but for those households loss of support will be higher Reduction in government funding support still impacts on Surrey County Council, Surrey Police and Spelthorne Borough Council providing less income for services or requiring income to be raised from other sources to prevent cost falling on general tax payer Only achieves partial reduction in expenditure on welfare benefits falling short of central government spending plans Potential for harder reductions for those on low income in future years with more public spending cuts Some additional protection may be required for the most vulnerable households Challenges around collection rates on small value bills

APPENDIX 6

Council Tax Support – Modelling of options on most affected groups

GROUP	NUMBER OF CLAIMANTS EFFECTED	CURRENT ENTITLEMENT AND DEFAULT SCHEME	PREFERRED OPTION
			95% protection vulnerable 91.5% everyone else second adult rebate capital limit £16,000 three months backdating 100% disregard for war widows
SAVINGS		£605k	4.99% £301k £509k empty homes preferred option £810k
Working age Passported	660 Job Seekers Allowance (JSA) Employment Support Allowance (ESA)		
Laleham Band D £1525.37	on JSA 5 non –deps	£1006.40 Instalments £52	£877.09 Instalments £65
Staines Band C £1355.88 £1014.13	on ESA Capital £7k	£1,014.13 Instalments £0	£927.93 Instalments £9
Ashford Band G £2542.28	on JSA Student (20)	£1,267.66 Instalments £127	£1159.91 Instalments £138
Lone Parent with children U5 Passported	395 Income Support (IS)		
Sunbury Band C £1355.88	on IS 3 children (4,10, 14) 2 Non-deps	£322.57 Instalments £103	£0 Instalments £136
Stanwell Band C £1355.88	on IS 1 child (4) 1 non dep (19)	£837.37 Instalments £52	£722.44 Instalments £66
Ashford Band C £1355.88	on IS 1 child (3)	£1,014.13 Instalments £0	£927.93 Instalments £9
Working age Non passported 1 child	212		
Shepperton Band D £1525.37	Working 25 hr 1 child (14) 1 non dep (19)	£379.48 Instalments £114	£250.18 Instalments £128.00
Ashford Band C £1355.88	Tax credits 1 child(15) Capital	£1,014.13 Instalments £0	£927.93 Instalments £9

APPENDIX 6

£1014.13			
Sunbury Band D £1525.37 £1140.90	Tax credits Capital 2 children (13,15)	£1,140.90 Instalments £0	£1043.92 Instalments £10
Working age Passported 1 child	206 Income Support (IS)		
Stanwell Band C £1355.88	on IS 1 child (15) 1 non dep(20)	£1,011.57 Instalments £34	£896.64 Instalments £46
Stanwell Band D £1525.37	on IS 1 child (16) 1 non dep(18)	£1,006.40 Instalments £57	£877.09 Instalments £65
Shepperton Band E £1864.34	on IS 1 child (9) 2 non deps(20,23)	£829.64 Instalments £103	£671.30 Instalments £119
Working Age Passported Disability	203 Employment Support Allowance (ESA) Job Seekers Allowance (JSA) Income Support (IS) Disability Living Allowance (DLA/DLL/DLH)		
Ashford Band D	ESA & DLL Capital 1 non dep (42)	£1,521.20 Instalments £0	££1445.14 Instalments £8
Laleham Band C	on IS & DLA Capital 1 child (2)	£1,352.17 Instalments £0	£1284.50 Instalments £7
Ashford Band C £1355.88	on JSA & DLH	£1,352.17 Instalments £0	£1284.50 Instalments £7
Working Age Non Passported Child Under 5	173		
Staines Band D £1525.37	Working 45 hr 3 children (12,11,3)	£100.87 (£1.95@week) Instalments £125	£0.00 Instalments £153
Stanwell Band D £1525.37	Working 37 hr 2 children (5,15)	£552.85 Instalments £72	£423.55 Instalments £55
Shepperton Band D £1525.37	Working 24hr 2 children (6,4) Weekly income	£393.94 Instalments £97	£264.64 Instalments £110

APPENDIX 6

Working Age Non Passported 2 Child	156		
Sunbury On Thames Band C £1355.88	Working 17 hr 2 children (13,9) Non dep (22)	£510.81 Instalments £84	£395.88 Instalments £95
Sunbury Band D £1525.37 Arrears o/s	Working 40 hr 2 children (17,8) 1 non dep(20)	£679.00 Instalments £51	£549.70 Instalments £64
Staines Band D £1525.37	R Working 35 hr 3 children (8,9,17)	£567.72 Instalments £96	£438.42 Instalments £109
Working Age Passported Severe disability	139 Income Support (IS) Disability Living Allowance (DLA/DLM/DMH) Incapacity Benefit (IBN)		
Stanwell Band D £1525.37 £1140.90 spd	IS DLA DLM IBN	£1140.90 Instalments £0	£1086.86 Instalments £6
Stanwell Band E £1864.34 £1394.42 spd	IS DLA DMH 1 Child (15) Severe Disability	£1394.42 Instalments £0	£1324.70 Instalments £7
Stanwell Band B £1186.40 £887.37 spd	IS DLH DMH	£887.37 Instalments £0	£843.00 Instalments £4
Working Age Non Passported Severe Disability	38 Disability Living Allowance (DLA/DLM/DLH) Incapacity Benefit (IBN/IBB)		
Staines Band C £1355.88	Severely Disabled DLA DLM	£1358.88 Instalments £0	£1284.56 Instalments £7
Stanwell Band D £1525.37	Blind & Severally disabled DLH DMH IBN IIB	£732.04 Instalments £79	£655.98 Instalments £87

APPENDIX 6

<p>Staines Band C £1355.88 £1014.13 spd</p>	<p>Severally disabled DLA Working</p>	<p>£357.89 Instalments £66</p>	<p>£307.18 Instalments £71</p>
<p>Number of small value bills issued < £150</p>			<p>2359 £212k</p>

APPENDIX 8**COUNCIL TAX DISCOUNTS AND PREMIUMS - OPTIONS****Benefits and Challenges**

The Local Scheme (preferred option)
Description
<ul style="list-style-type: none"> • Scheme based on (1) no discount for second or re-possessed homes (2) 50% discount for uninhabitable properties (3) progressive discount for empty homes - 100% month one, 50% month two, 25% month three, 0% month four onwards (4) 50% premium for long term empties
Benefits
<ul style="list-style-type: none"> • Realistic chance of maximising income generation whilst reducing the risk of non payment (government will not reduce grant as part of changes) • Provides an incentive to get homes back into a habitable state and use • Increase number of empty homes brought back into use and eligible for New Homes Bonus • Reduces the impact on small scale developers and builders who buy and renovate properties by applying a phased reduction in discounts for empty homes • Encourage long term empty homes to be brought back into use • In line with other Surrey Councils in applying the 50% premium for long term empty properties
Challenges
<ul style="list-style-type: none"> • Difficult to recover council tax until property is in use and bringing in an income. • In the current climate houses are taking longer to sell • Owners may find it difficult to repair properties prior to re-letting • Difficult to get money from mortgage companies who have re-possessed houses until they are sold • Risk of avoidance with long term empties by claiming occupation • For long term empties the government is considering excluding homes genuinely for sale, main homes for armed forces and annexes used as part of the main home

The Local Scheme – phased approach
Description
<ul style="list-style-type: none"> • Scheme based on (1) no discount for second or re-possessed homes (2) 25% discount for uninhabitable properties (3) progressive discount for empty homes - 100% month one, 80% month two, 60% month three, 40% month four, 20% month five and 0% from six months onwards (4) 35% premium for long term empties
Benefits
<ul style="list-style-type: none"> • Seeks to maximises income generation whilst reducing the risk of non payment for some categories (government will not reduce grant as part of changes) • Provides a strong incentive to get homes back into a habitable state and use • Increase number of empty homes brought back into use and eligible for New Homes Bonus • Minimises the impact on small scale developers and builders who buy and renovate properties by applying a phased reduction in discounts for empty homes

APPENDIX 8

<ul style="list-style-type: none"> • Encourage long term empty homes to be brought back into use
Challenges
<ul style="list-style-type: none"> • Difficult to recover council tax until property is in use and bringing in an income. • In the current climate houses are taking longer to sell • Owners may find it difficult to repair properties prior to re-letting • Difficult to get money from mortgage companies who have re-possessed houses until they are sold • Some risk of avoidance with long term empties by claiming occupation • For long term empties the government is considering excluding homes genuinely for sale, main homes for armed forces and annexes used as part of the main home

The Surrey Framework Scheme	
Description	<ul style="list-style-type: none"> • Scheme based on (1) no discount on second or re-possessed homes (2) no discount for uninhabitable properties (3) 100% discount for empty homes and then 0% (4) 50% premium for long term empties
Benefits	<ul style="list-style-type: none"> • Maximises income generation (government will not reduce grant as part of changes) • Maximises the chance of getting homes back into a habitable state and use • Increase number of empty homes brought back into use and eligible for New Homes Bonus • Encourage long term empty homes to be brought back into use
Challenges	<ul style="list-style-type: none"> • Difficult to recover council tax until property is in use and bringing in an income. • May deter small scale builders from buying up properties to renovate and bring back into use • In the current climate houses are taking longer to sell • Owners may find it difficult to repair properties prior to re-letting so will demolish thus reducing the Council Tax base • May have an adverse impact on the local economy • Difficult to get money from mortgage companies who have re-possessed houses until they are sold • Risk of avoidance with long term empties by claiming occupation • For long term empties the government is considering excluding homes genuinely for sale, main homes for armed forces and annexes used as part of the main home

APPENDIX 9

Council Tax Discounts and Premiums - Modelling

Option	Modelling	Second Home @ 95%	Class L @ 95%	Class A @ 95%	Class C @ 95%	Premium @ 70%	Total
1.	No discount for second homes No discount for re-possessed properties 25% discount for uninhabitable properties Empty homes (discount by month) <ul style="list-style-type: none"> • 100% • 80% • 60% • 40% • 200% • 0% Premium for long term empties 35%	£37,366.83	£15,686.03	74,438.39	256,195.51	£50,708.78	£434,415.43
2. Proposed	No discount for second homes No discount for re-possessed properties 50% discount for uninhabitable properties Empty homes (discount by month) <ul style="list-style-type: none"> • 100% • 50% • 25% • 0% • 0% • 0% Premium for long term empties 50%	£37,366.83	£15,686.03	£49,625.60	£333,772.80	£72,441.12	£508,912.02

FINANCIAL SUMMARY OF LOCAL COUNCIL TAX SUPPORT SCHEME AND CHANGES TO COUNCIL TAX DISCOUNTS AND PREMIUMS

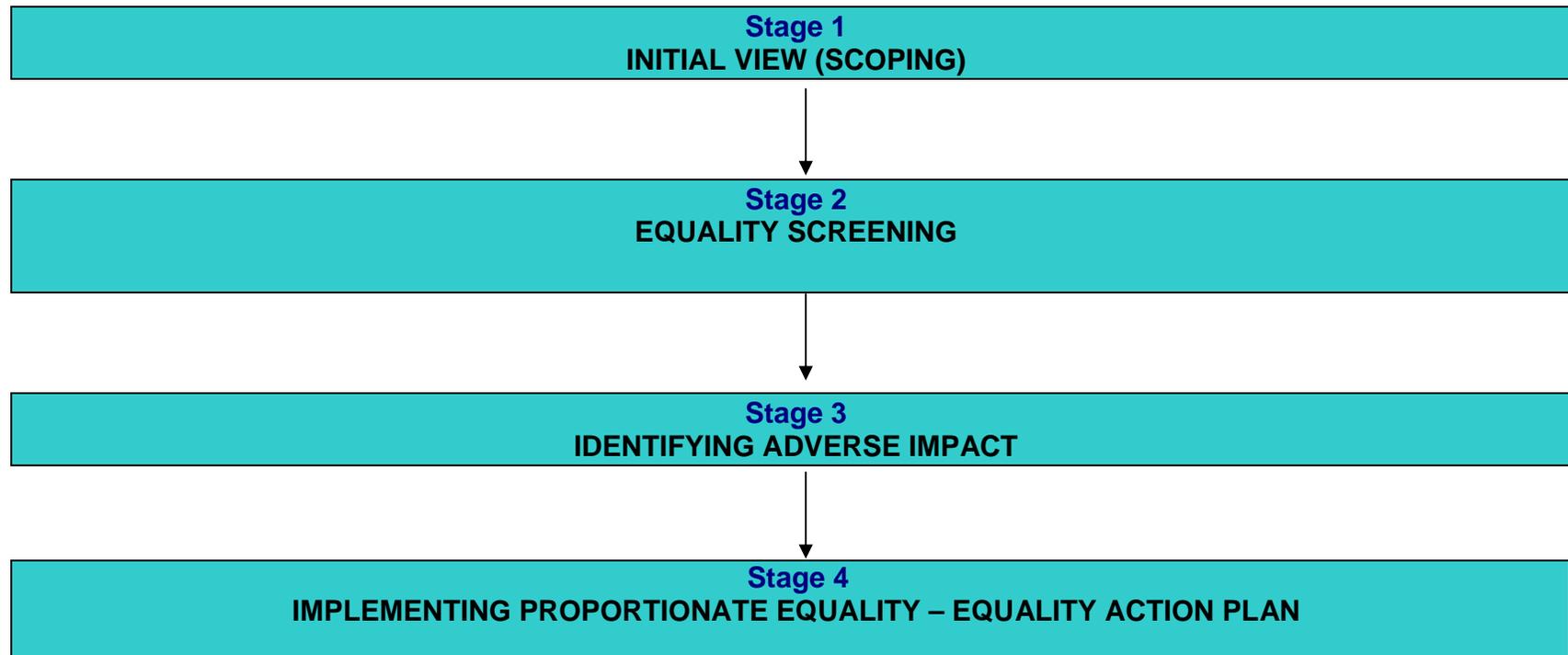
	£££
Government shortfall (10% reduction)	- £700,000
Council Tax support (reduced benefits)	+ £301,000
Discounts and Premiums (additional income)	+ £509,000
Total	+ £810,000
Discount money 'at risk'	- £122,000
Council tax support money 'at risk'	-£90,000
Total less money 'at risk'	+£598,000 (£102,000 shortfall)
Transition grant	+£142,000
Total	+£740,000
Remaining transition grant	+ £40,000

NB: If you do not have data to support your objectives you will need to develop monitoring mechanisms that will support and help you identify the gaps in service provision or employment issues.

SPELTHORNE BOROUGH COUNCILS

EQUALITY IMPACT ASSESSMENT TOOLKIT

6. EQUALITY IMPACT ASSESSMENT FLOWCHART



STAGE 1 – SCOPING

Scoping is the initial planning stage of the assessment. The aim of this scoping is to identify how the EIA will be conducted and assessing at this early stage:

AGREEING WHO WILL LEAD AND CARRY OUT THE ASSESSMENT

Establishing responsibility and ownership has been identified as a critical part of making the assessments a meaningful exercise.

1.1 Policy, Practice, Functions or Service being assessed	<i>Please state policy or service being assessed</i>								
Council Tax Support									
1.2 Lead Officer	<i>Please state name and contact details of lead officer who will be conducting the review.</i>								
<table border="0"> <tr> <td>Terry Collier</td> <td>Assistant Chief Executive</td> <td>(01784) 446296</td> <td>t.collier@spelthorne.gov.uk</td> </tr> <tr> <td>Heather Morgan</td> <td>Project Manager</td> <td>(01784) 446352</td> <td>h.morgan@spelthorne.gov.uk</td> </tr> </table>		Terry Collier	Assistant Chief Executive	(01784) 446296	t.collier@spelthorne.gov.uk	Heather Morgan	Project Manager	(01784) 446352	h.morgan@spelthorne.gov.uk
Terry Collier	Assistant Chief Executive	(01784) 446296	t.collier@spelthorne.gov.uk						
Heather Morgan	Project Manager	(01784) 446352	h.morgan@spelthorne.gov.uk						

1.3 What do you think are the main issues relating to diversity within your policy or service area?	It is suggested that it would be helpful for those who carry out the assessment to begin by offering an initial view of what they think are the main issues relating to diversity for the policy or service being assessed. This can then help shape the questions that will form the basis of the assessment and ensure that the assessments are tailored to the specifics of the service, rather than just working
--	---

APPENDIX 11

	<p>through a set of standard questions.</p> <p><i>Some things you may wish to consider.</i></p> <ul style="list-style-type: none"> • <i>How do you think that your policy or service currently meets the needs of different communities in Spelthorne?</i> • <i>Do you think that your policy/service specifically contributes to promoting Equality and Diversity in Spelthorne? if so, in what way?</i> • <i>Do you think that your policy or service presents any barriers to any community or group? if so please provide evidence.</i> • <i>How can your service or policy tackle these barriers ((gender, disability and race at least) age, religion/faith and sexuality))</i> • <i>Are there any equality objectives that are on-going or planned for the future, if so please state.(These could be included in your Equality Action Plans (Stage 4)</i> • <i>Please list our proposed equality objectives, at this stage, if any?</i>
--	--

	<p>through a set of standard questions.</p> <p><i>Some things you may wish to consider.</i></p> <ul style="list-style-type: none"> • <i>How do you think that your policy or service currently meets the needs of different communities in Spelthorne?</i> • <i>Do you think that your policy/service specifically contributes to promoting Equality and Diversity in Spelthorne? if so, in what way?</i> • <i>Do you think that your policy or service presents any barriers to any community or group? if so please provide evidence.</i> • <i>How can your service or policy tackle these barriers ((gender, disability and race at least) age, religion/faith and sexuality))</i> • <i>Are there any equality objectives that are on-going or planned for the future, if so please state.(These could be included in your Equality Action Plans (Stage 4)</i> • <i>Please list our proposed equality objectives, at this stage, if any?</i>
--	--

Current

The existing Council tax benefit scheme is being abolished by central government, and will no longer exist after 1 April 2013. All local councils will be expected to either have a local scheme in place, or they will have a default scheme imposed on them. The latter is the same as the current national scheme (but with 10% less money to deliver). At present, correctly awarded council tax benefit is reimbursed in full regardless of how many customers claim the benefit.

APPENDIX 11

At present, there are around 5,582 claimants of council tax benefit, with 2,411 pensioners and 3,171 of working age. Of these 72% are on maximum benefit (i.e. they pay nothing and are passported). This equates to around 2,280 individuals.

The system gives claimants full or partial support in paying their council tax depending on income/savings, age and personal circumstances. No benefit is paid if you have savings over £16,000. Benefits are paid to those who claim a disability allowance.

There is no differentiation of protected groups as opposed to any other members of society under the current scheme.

Future

From 1 April 2013, the Council will have a new local scheme in place. Prior to doing this, the Council has to consult any major precepting authorities, publish a draft scheme and consult other people who might have an interest in the scheme. These have all been fulfilled and are covered in the report which will be going to Cabinet on 21 January and Council on 24 January 2013. The voluntary sector were included as part of this consultation (a number of whom work specifically with people from the equalities groups).

The new scheme will be a partially funded scheme where authorities will be awarded an upfront grant amounting to 90% of the Government's estimated expenditure for each Council in 2103/14, leaving authorities to find/fund the remaining 10%. The £700,000 for Spelthorne would be split between the borough (£77,000), county and police (£623,000).

Pensioners are excluded from the changes (i.e. are not affected by the proposed reductions) and they equate to around 41% of all those residents who claim council tax benefit. As such, the burden of the reduction falls on the working age who are claiming benefit, equating to an 18% shortfall in funding in the council tax benefits were to be fully funded by the changes to council tax support.

Within this affected group there are a number of individuals who will be from a variety of equalities groups. In particular there are a number of individuals who will be claiming a disability allowance of some kind, and well as those with young children (especially under 5). There will be other people from other protected groups but there is more limited data in these areas. As such, it is harder to quantify precisely what the potential impact might be.

STAGE 2: EQUALITY SCREENING PROCESS (Risk Assessment)

1. Introduction

Stage 2 consists on undertaking a screening (or equalities risk assessment). Key areas to consider are?

- What are the key policies, functions and services which may have 'Relevance' to equality and diversity?
- How will you rank these?
- Will you consider individual policies

The outlined Equality Screening Process (ESP) should be used where Service areas are conducting Service based Equality Impact Assessments (EIAs) and/or Policy based EIAs. The purpose of this screening process is to identify policies or practices we believe have a 'Relevance' to disadvantaged groups e.g. BME communities, people with disabilities, women or men, etc. This process should enable the lead officer to identify what are the key equality issues in their respective service area and to identify policies or practices believed to could have an adverse impact on disadvantaged groups.

2. How to use the Equality Screening Process

Each Lead Officer is asked to identify which services, functions, policies or practices that have a 'Relevance' on service delivery in relation to the six diversity themes using the scoring sheet. Points should be provided on the basis of actual or presumed 'Relevance' based on the information provided in section 1. By the end of the exercise you should have added all the points and given a score. The next stage is to identify which polices/practices have a high/medium or low adverse impact.

2a. Points

- 5 – This policy or practice could have a very high relevance on our service delivery
- 4 – This policy or practice could have a relatively relevance on our service delivery
- 3 – This policy or practice could have a medium relevance on our service delivery

APPENDIX 11

2 – This policy or practice could have a relatively low relevance on our service delivery

1 – This policy or practice could have a very low relevance on our service delivery

2b. Scoring

1-10 points – Low Relevance

11 – 20 points – Medium Relevance

21 and above – High Relevance

Please see example below:

Service, Function, Policy, Practice.	Age	Disability	Gender	Gender Reassignment	Marriage / Civil partnership	Pregnancy	Race	Religion / Belief	Sexual Orientation	Total Points	Impact H/M/L
Example Services	3	2	1	3	1	2	3	1	2	12	Med

3. Equality Screening Process

Service, Function, Policy, Practice.	Age	Disability	Gender	Gender Reassignment	Marriage / Civil partnership	Pregnancy	Race	Religion / Belief	Sexual Orientation	Total Points	Impact H/M/L
Council Tax Support	4	4	1	1	2	2	2	2	2	20	High

APPENDIX 11

--	--	--	--	--	--	--	--	--	--	--	--

4. Conclusion – Policy or Service EIA?

If a policy/practice has a score of 25 or over, it is advisable that a Policy based EIA is undertaken. If most policies score below 25, it would be advisable to conduct a service based EIA, which will involve an EIA that overviews all policies or practices in your respective service area.

Conclusion – service based EIA

STAGE 3. IDENTIFYING ADVERSE IMPACT

The aim of an assessment is to identify whether the service or policy has an adverse impact upon people with disabilities, black and minority ethnic communities, men and women, heterosexual, gay, bisexual and lesbian communities, older and younger people and faith communities. The assessment should ultimately produce proportionate equality objectives, which help remove barriers and link into service plans. The end result must, at least, produce one equality objective for each of the three equality themes listed by the Local Government Equality Standard, namely gender, disability and race.

Stage three comprises of two sections.

- Concentration on the aims of the service, policy, function or practice.
- Focuses on the practical delivery of the policy or service.

Assessing the Aims and Criteria of the Policy or Service

APPENDIX 11

This section will determine whether the underlying aims, policies and procedures of the policy or service comply with the Disability Discrimination Act 1995, and Disability Discrimination Act 1995 and (Amendment) 2005, Sex Discriminations Act 1977, and Single Equality Act 2005, Equal Pay Act 1970, Employment Directive (Religion/belief) 2003, Employment Directive (Sexual Orientation) 2003, Employment Directive (Age Discrimination) 2006 and the Local Government Equality Standard. In addition to the key questions below, you may wish to include any specific issues that were identified during the scoping stage of the assessment.

Key Questions	Issues to consider
<p>3.1 What are the aims of the policy, practice, function or service?</p>	<p><i>What needs is the policy/service designed to meet?</i></p> <p><i>What are the current priorities?</i></p> <p><i>You could also refer to your current Service Plans</i></p>
<p>Government changes mean that Spelthorne are looking to adopt a local scheme for council tax support as follows:</p> <ul style="list-style-type: none"> 95% protection for vulnerable people 91.5% protection for everyone else Retain second adult rebate Capital limit £16,000 Three months backdating of claims Continue 100% disregard for war widows 	
<p>3.2 What do your staff/team members say about your initial view?</p>	<p>You could:</p> <ul style="list-style-type: none"> • What do staff members feel are the gaps, or what do they feel could improve the service? • Speak to your colleagues within your team

APPENDIX 11

List what equality objectives that are currently implemented or will soon be implemented.
--

There has been extensive discussion about the elements of the local scheme which are to be included at service and Project Board level. There is consensus over the changes as set out above.

Key Questions	Issues to consider
3.3 What does available data and the results of any consultations show about the take up of services? What is the impact on different groups? (qualitative and quantitative)	<p><i>You could look at:</i></p> <ul style="list-style-type: none"> • <i>previous community consultation exercises,</i> • <i>customer service reviews and analysis.</i> • <i>Census data</i> • <i>What are the experiences of front-line staff in relation to the provision of the service?</i> • <i>location of facilities.</i> • <i>lack of access to translation/interpretation or access to building or services,</i> • <i>eligibility rules could be a barrier?</i>

CLG

The CLG have undertaken some relevant national impact work themselves, and advise:

The measures are aimed at ensuring any scheme promotes work and personal responsibility
 It continues to support the most vulnerable
 It does not expect that this policy will disproportionately affect any particular gender or ethnicity

National statistics and comments from organisations

5.9 million council tax benefit customers as at April 2012 (but only two thirds of those who are entitled claim it)
 3.3 million working age council tax benefit customers (55%)

APPENDIX 11

2.7 million pensioner age council tax benefit customers (45%)
 48% of benefit recipients under 65 may have at least one adult or child who is disabled
 18% of benefit recipients under 65 have caring responsibilities
 3.9 million council tax benefit customers receive a passported benefit (66%) of which 55% are working age
 £4.9 billion is awarded each year at an average £15.69 per person per week

Institute for Fiscal Studies have said that all options for cutting council tax support tends to hit the poor the most. Cuts involve reducing support for those entitled to maximum benefit to collecting tax from those with the lowest incomes.

The Joseph Rowntree Foundation have said that a local scheme will enable Council to promote employment and growth but may well discourage low income families from living in an area. It has commented that 85% of council tax benefit goes to the lower income half of households, and as such any cuts are bound to hit predominantly poorer families.

DWP

The DWP undertook an EIA assessment when developing the policy which allows Councils to develop a local scheme. It concluded:

Some groups are out of work for longer and may have to rely on benefits more than others. Women's employment rates are lower (69% compared to 75%), ethnic minorities compared to white (60% compared to 74%) disabled compared with non-disabled (48% compared to 77%)

Poverty affects some groups more than others (e.g. disabled adult and highest for workless disabled adults)

The current welfare system has adapted to meet needs (children, lone parents, disability) which do not necessarily reflect the equalities groups

The current system acts as a disincentive to work due to its complexity (ethnic minority groups). The new system would make work pay and promote equality of opportunity

2011 Census - Local Area Profile

Key relevant information from the 2011 census for Spelthorne is as follows:

APPENDIX 11

Total population	95,598
Total households	39,512
Males	49%
Females	51%
Child 0 -18	20.6% (6.3% 0-4 years)
Adult 18 – 64	62%
Adult 65+	17.5%
Non-white ethnic	19%
Christian	65%
People limited by disability	15%
People providing unpaid care	10%
People with bad/very bad health	3.2%
 <u>Spelthorne statistics</u>	
5582 households receive council tax benefit	
2411 are pensioners	
3171 are working age	
72% are pass ported (co activia figure) which means 2280 claims are pass ported	
808 claims are working(co activia figure) which means 25% of working age are earning	
Of 808 non pass ported:	
•	38 receive severe disablement premium - 5%
•	128 receive disability premium - 15%
•	32 receive disabled child premium - 4%

<p>3.4 Can you identify any gaps? What are the reasons for this?</p> <p><i>(Please note: If you do not have any data, you may wish to develop service based monitoring mechanisms that</i></p>	<ul style="list-style-type: none"> • <i>Are communities or service users aware of this policy or service?</i> • <i>Are there any accessibility issues?</i> • <i>Is service provision monitored, if so how?</i>
--	---

APPENDIX 11

<p><i>collate data on under-represented groups)</i></p>	<ul style="list-style-type: none"> <i>Is there a lack diversity awareness amongst staff?</i>
<p>There are no gaps which have been identified. All current council tax benefit claimants were consulted directly about the changes and asked to complete a consultation survey. In addition, a selection of general council tax payers were consulted (who may or may not be affected in the future).</p> <p>Voluntary Action in Spelthorne, along with the Citizens Advice Bureau, faith and disability groups were consulted and/or advised about the proposed changes and asked for their views. Information was also available on the Councils website (as well as an online survey).</p> <p>Full details are set out in the consultation survey results (appendix 3 of the 21 January 2013 cabinet report)</p> <p>Staff have all had equalities training and deal with these issues on a daily basis.</p>	
<p>3.5 What practical changes do you feel would help reduce any adverse impact on particular groups?</p>	<p><i>For example, changes in communication methods, language support, disability measures, changes in eligibility criteria, developing monitoring mechanisms, diversity training?</i></p>
<p><u>Age</u></p> <p>Pensioners are protected under the government regulations and should not be adversely affected.</p> <p>There is no change to entitlement to second adult rebate as part of the local scheme. Second adult rebate is commonly paid where there is a single adult with a parent living with them (and this could include some older people).</p>	

APPENDIX 11

Backdating will apply to all claims made within a three month period of a change of circumstance. This is unchanged for pensioners. For younger people (who may have less experience of the benefits system) the three month period will give sufficient time to apply for this element. For older people it will give some time to apply (if for example it is not immediately possible to do so due to ill health). It is not considered necessary to have a hardship fund with this period in place.

The capital limit is being kept at £16,000 and there will be no additional impact on those older working age people who may have saved throughout their life.

War widows will continue to benefit from 100% disregard. (Note: all war widows in the borough are currently of pension age).

Working families would not be unduly penalised by the scheme, as they would pay no more than 8.5% maximum, and maintains incentives to work. This would equate to £2.50 per week reduction in council tax for a band D property. This ensures that those working families with children will not be unduly affected by the changes, as the additional cost has been limited. Families clearly have less disposable income and it is recognised that council tax is only one of a number of bills which need to be paid. The limited additional amount which people would need to pay is consistent with the Council's duty to safeguard and promote the welfare of children. The scheme also recognises that younger people who are starting out in work could find it more difficult to increase their income than those who have more experience of work.

Disability

Those with disabilities have the potential to be one of the groups most affected by the local scheme. Particular consideration has therefore been given to this, and as a result the proposed scheme does provide additional protection for 'vulnerable people'. It ensures that the most vulnerable people would pay a maximum of 5% of their council tax bill. This would equate to £1.50 per week reduction in council tax for a band D property. In many cases it would be lower than this.

There is no change to entitlement to second adult rebate as part of the local scheme. Second adult rebate is commonly paid where there is a single adult with a parent living with them (and this could very well include those people with a disability who need a carer). Retaining the second adult rebate will ensure that, for example, adult sons or daughters, relatives or carers are still able to receive a maximum of 25% reduction on the council tax bill.

APPENDIX 11

Backdating will apply to all claims made within a three month period of a change of circumstance. For those with a disability it will give some time to apply (if for example it is not immediately possible to do so due to a deterioration in health). It is not considered necessary to have a hardship fund with this period in place.

The capital limit is being kept at £16,000 and there will be no additional impact on those vulnerable people who may have been able to save.

Working families would not be unduly penalised by the scheme, as they would pay no more than 8.5% maximum, and maintains incentives to work. This would equate to £2.50 per week reduction in council tax for a band D property. The limited additional amount which people would need to pay is consistent with the Council's duty to safeguard those with a disability.

Some disabled households are larger as extra accommodation space may be required. A disabled band reduction can be granted in certain prescribed circumstances on the council tax liability which reduces the charge to that of a property in the next council tax band down. However a resident could still be affected if the reduced band remains higher than an implemented restriction. This is likely to be minimal.

Gender and Gender re-assignment

Women are more likely to be single parents and are more likely to have an adult who has remained living with them or returned to live with them. Single parents living with an adult child are more likely to claim second adult rebate so women could be disproportionately affected.

There is no change to entitlement to second adult rebate as part of the local scheme. This will ensure that those who find themselves in the situation above will not be affected.

Backdating will apply to all claims made within a three month period of a change of circumstance. For younger people (who may have less experience of the benefits system) the three month period will give sufficient time to apply for this element. For older people it will give some time to apply (if for example it is not immediately possible to do so due to ill health). It is not considered necessary to have a hardship fund with this period in place.

APPENDIX 11

The capital limit is being kept at £16,000 and there will be no additional impact on men or women who may have saved during their careers.

Working families would not be unduly penalised by the scheme, as they would pay no more than 8.5% maximum, and maintains incentives to work. This would equate to £2.50 per week reduction in council tax for a band D property. This would ensure protection for single parents (more likely to be women) in the same way as it would any other family.

Marriage/civil partnership

No negative specific impact has been identified.

Pregnancy

No negative specific impact has been identified.

Race

In some communities it is more common for parents to live with their adult children or for adult children to remain living in their parents' home for longer periods. In these circumstances it is common for a second adult rebate to be claimed.

There is no change to entitlement to second adult rebate as part of the local scheme. This will ensure that those who find themselves in the situation above will not be affected.

Backdating will apply to all claims made within a three month period of a change of circumstance. For those where English may not be their first language the three month period will give sufficient time to seek advice and support where necessary and apply for this. For older people it will give some time to apply (if for example it is not immediately possible to do so due to ill health). It is not considered necessary to have a hardship fund with this period in place.

APPENDIX 11

The capital limit is being kept at £16,000 and there will be no additional impact on those who may have saved during their careers.

Working families would not be unduly penalised by the scheme, as they would pay no more than 8.5% maximum, and maintains incentives to work. This would equate to £2.50 per week reduction in council tax for a band D property.

Religion/belief

In some communities it is more common for single parents to live with their adult children or for adult children to remain living in their parents' home for longer periods. In these circumstances it is common for a second adult rebate to be claimed.

There is no change to entitlement to second adult rebate as part of the local scheme. This will ensure that those who find themselves in the situation above will not be affected.

Backdating will apply to all claims made within a three month period of a change of circumstance. For those where English may not be their first language the three month period will give sufficient time to seek advice and support where necessary and apply for this. For older people it will give some time to apply (if for example it is not immediately possible to do so due to ill health). It is not considered necessary to have a hardship fund with this period in place.

The capital limit is being kept at £16,000 and there will be no additional impact on those who may have saved during their careers.

Working families would not be unduly penalised by the scheme, as they would pay no more than 8.5% maximum, and maintains incentives to work. This would equate to £2.50 per week reduction in council tax for a band D property.

Sexual orientation

No negative specific impact has been identified.

APPENDIX 11

3.6 What would be the benefits of making the above changes and are there any negative impacts that such an action would have on different communities?	<i>You may want to consider the benefits and consequences for the group(s) concerned, other communities and the Council, if we were not to make the suggested changes?</i>
<p>The changes have the potential to encourage people to get back into work as they will not be unduly penalised by the proposed local scheme. It could also encourage people to continue to save up to £16,000 as they will not be adversely affected.</p>	

STAGE 4. IMPLEMENTING PROPORTIONATE EQUALITY OBJECTIVES & MAINSTREAMING DIVERSITY – THE EQUALITY ACTION PLAN

Your Equality Action Plan (Draft)

5.1 Referring to **Stages 1** (Scoping), **Stage 2** (Screening) and **Stage 3** (Adverse Impact) please list what objectives you will implement to mainstream diversity in your service area.

Please complete your Equality Action Plan ensuring that you have listed at least objectives in regards to disability, gender and race/ethnicity.

Outcome	Objectives	Lead	Resources	Deadline	Progress
Age – younger people and children Monitor any adverse impact in the first year to	Assess whether this equalities group has been affected by any particular aspect of the policy	Benefits Manager	Staff time	April 2014	

APPENDIX 11

see if the policy requires review	change				
Disability Monitor any adverse impact in the first year to see if the policy requires review	Assess whether this equalities group has been affected by any particular aspect of the policy change	Benefits Manager	Staff time	April 2014	
Gender Monitor any adverse impact in the first year to see if the policy requires review	Assess whether this equalities group has been affected by any particular aspect of the policy change	Benefits Manager	Staff time	April 2014	
Race Monitor requests for assistance and information in alternative formats. Provide information in another language/format on request	Monitor any adverse impact on whether this equalities group has been affected by any particular aspect of the policy change	Benefits Manager	Staff time	April 2014	
Staff Monitor any incidences of stress or abuse faced by staff from	Assess what impact the changes are having on staff. To ensure that	Benefits Manager	Staff time	April 2014	

APPENDIX 11

<p>irate clients and increased workload</p>	<p>communication takes place and appropriate training is given.</p>				
---	---	--	--	--	--

Congratulations, you have now completed your Equality Impact Assessment. Please send a copy of your EIA to:

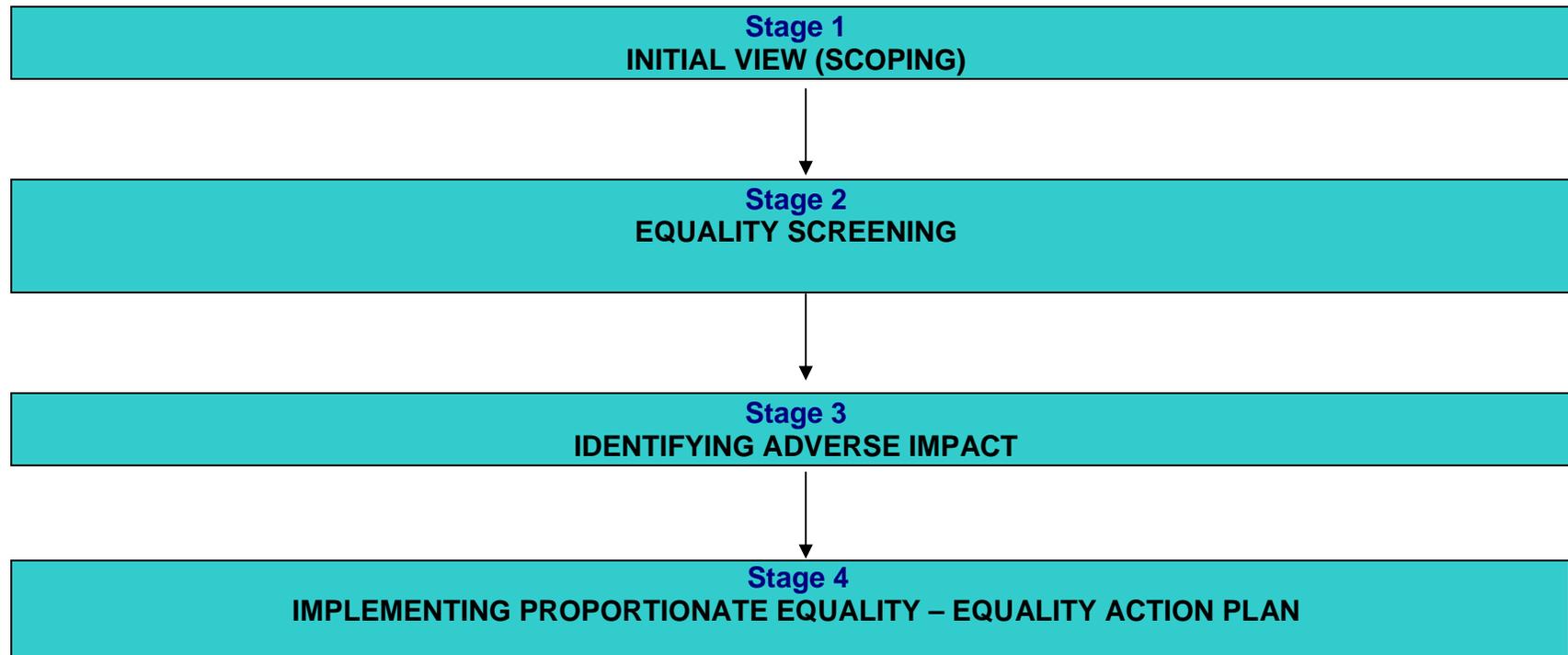
Arif Sain, Senior Consultant
 Office: 01279 460022
 Mob: 07906 380 976
 E:mail: **Inclusivity_consultancy@yahoo.co.uk**

NB: If you do not have data to support your objectives you will need to develop monitoring mechanisms that will support and help you identify the gaps in service provision or employment issues.

SPELTHORNE BOROUGH COUNCILS

EQUALITY IMPACT ASSESSMENT TOOLKIT

6. EQUALITY IMPACT ASSESSMENT FLOWCHART



STAGE 1 – SCOPING

Scoping is the initial planning stage of the assessment. The aim of this scoping is to identify how the EIA will be conducted and assessing at this early stage:

AGREEING WHO WILL LEAD AND CARRY OUT THE ASSESSMENT

Establishing responsibility and ownership has been identified as a critical part of making the assessments a meaningful exercise.

1.1 Policy, Practice, Functions or Service being assessed	<i>Please state policy or service being assessed</i>								
Council Tax Discounts and Premiums									
1.2 Lead Officer	<i>Please state name and contact details of lead officer who will be conducting the review.</i>								
<table border="0"> <tr> <td>Terry Collier</td> <td>Assistant Chief Executive</td> <td>(01784) 446296</td> <td>t.collier@spelthorne.gov.uk</td> </tr> <tr> <td>Heather Morgan</td> <td>Project Manager</td> <td>(01784) 446352</td> <td>h.morgan@spelthorne.gov.uk</td> </tr> </table>		Terry Collier	Assistant Chief Executive	(01784) 446296	t.collier@spelthorne.gov.uk	Heather Morgan	Project Manager	(01784) 446352	h.morgan@spelthorne.gov.uk
Terry Collier	Assistant Chief Executive	(01784) 446296	t.collier@spelthorne.gov.uk						
Heather Morgan	Project Manager	(01784) 446352	h.morgan@spelthorne.gov.uk						
1.3 What do you think are the main issues relating to diversity within your policy or service area?	It is suggested that it would be helpful for those who carry out the assessment to begin by offering an initial view of what they think are the main issues relating to diversity for the policy or service being assessed. This can then help shape the questions that will form the basis of the assessment and ensure that the assessments are tailored to the specifics of the service, rather than just working								

APPENDIX 12

	<p>through a set of standard questions.</p> <p><i>Some things you may wish to consider.</i></p> <ul style="list-style-type: none"> • <i>How do you think that your policy or service currently meets the needs of different communities in Spelthorne?</i> • <i>Do you think that your policy/service specifically contributes to promoting Equality and Diversity in Spelthorne? if so, in what way?</i> • <i>Do you think that your policy or service presents any barriers to any community or group? if so please provide evidence.</i> • <i>How can your service or policy tackle these barriers ((gender, disability and race at least) age, religion/faith and sexuality))</i> • <i>Are there any equality objectives that are on-going or planned for the future, if so please state.(These could be included in your Equality Action Plans (Stage 4)</i> • <i>Please list our proposed equality objectives, at this stage, if any?</i>
<p><u>Current</u></p> <p>At the moment council tax exemptions are divided into various classes, and government legislation dictates the length of the exemption.</p>	

APPENDIX 12Future

From 1 April 2013, the new Technical Reforms to Council tax will give Spelthorne (as a billing authority) more flexibility on the exemptions and discounts which they award in certain circumstances, including 'empty homes' and 'second' homes. The changes will allow councils to decide how long the exemptions should apply for three of the 'empty homes' classes. The changes also mean that Councils are able to remove or reduce the 'second home' discount scheme and to apply an extra charge to 'long term empty' properties.

Some empty homes may be owned by individuals from particular equalities groups. There is potential for financial impact on some householders and as a result they may have to pay more or be exempt for shorter periods. There is limited data available on individual properties and their owners. As such it is difficult to say which equality groups are likely to be most affected.

STAGE 2: EQUALITY SCREENING PROCESS (Risk Assessment)

1. Introduction

Stage 2 consists on undertaking a screening (or equalities risk assessment). Key areas to consider are?

- What are the key policies, functions and services which may have 'Relevance' to equality and diversity?
- How will you rank these?
- Will you consider individual policies

The outlined Equality Screening Process (ESP) should be used where Service areas are conducting Service based Equality Impact Assessments (EIAs) and/or Policy based EIAs. The purpose of this screening process is to identify policies or practices we believe have a 'Relevance' to disadvantaged groups e.g. BME communities, people with disabilities, women or men, etc. This process should enable the lead officer to identify what are the key equality issues in

APPENDIX 12

their respective service area and to identify policies or practices believed to could have an adverse impact on disadvantaged groups.

2. How to use the Equality Screening Process

Each Lead Officer is asked to identify which services, functions, policies or practices that have a ‘Relevance’ on service delivery in relation to the six diversity themes using the scoring sheet. Points should be provided on the basis of actual or presumed ‘Relevance’ based on the information provided in section 1. By the end of the exercise you should have added all the points and given a score. The next stage is to identify which polices/practices have a high/medium or low adverse impact.

2a. Points

- 5 – This policy or practice could have a very high relevance on our service delivery
- 4 – This policy or practice could have a relatively relevance on our service delivery
- 3 – This policy or practice could have a medium relevance on our service delivery
- 2 – This policy or practice could have a relatively low relevance on our service delivery
- 1 – This policy or practice could have a very low relevance on our service delivery

2b. Scoring

- 1-10 points** – Low Relevance
- 11 – 20 points** – Medium Relevance
- 21 and above** – High Relevance

Please see example below:

Service, Function, Policy, Practice.	Age	Disability	Gender	Gender Reassignment	Marriage / Civil partnership	Pregnancy	Race	Religion / Belief	Sexual Orientation	Total Points	Impact H/M/L
Example Services	3	2	1	3	1	2	3	1	2	12	Med

APPENDIX 12

3. Equality Screening Process

Service, Function, Policy, Practice.	Age	Disability	Gender	Gender Reassignment	Marriage / Civil partnership	Pregnancy	Race	Religion / Belief	Sexual Orientation	Total Points	Impact H/M/L
Council Tax Discounts and premiums	1	2	1	1	1	1	1	1	1	10	L

4. Conclusion – Policy or Service EIA?

If a policy/practice has a score of 25 or over, it is advisable that a Policy based EIA is undertaken. If most policies score below 25, it would be advisable to conduct a service based EIA, which will involve an EIA that overviews all policies or practices in your respective service area.

Conclusion – service based EIA

STAGE 3. IDENTIFYING ADVERSE IMPACT

APPENDIX 12

The aim of an assessment is to identify whether the service or policy has an adverse impact upon people with disabilities, black and minority ethnic communities, men and women, heterosexual, gay, bisexual and lesbian communities, older and younger people and faith communities. The assessment should ultimately produce proportionate equality objectives, which help remove barriers and link into service plans. The end result must, at least, produce one equality objective for each of the three equality themes listed by the Local Government Equality Standard, namely gender, disability and race.

Stage three comprises of two sections.

- Concentration on the aims of the service, policy, function or practice.
- Focuses on the practical delivery of the policy or service.

Assessing the Aims and Criteria of the Policy or Service

This section will determine whether the underlying aims, policies and procedures of the policy or service comply with the Disability Discrimination Act 1995, and Disability Discrimination Act 1995 and (Amendment) 2005, Sex Discriminations Act 1977, and Single Equality Act 2005, Equal Pay Act 1970, Employment Directive (Religion/belief) 2003, Employment Directive (Sexual Orientation) 2003, Employment Directive (Age Discrimination) 2006 and the Local Government Equality Standard. In addition to the key questions below, you may wish to include any specific issues that were identified during the scoping stage of the assessment.

Key Questions	Issues to consider
3.1 What are the aims of the policy, practice, function or service?	<p><i>What needs is the policy/service designed to meet?</i></p> <p><i>What are the current priorities?</i></p> <p><i>You could also refer to your current Service Plans</i></p>
<p>Government changes mean that Spelthorne are looking to review three classes:</p>	

APPENDIX 12

Class A – uninhabitable properties. The current maximum exemption is 12 months and the proposal is to remove the exemption and replace it with a discount between 0% and 100%. The level of the discount is at the discretion of the billing authority.
 Class C – empty or unfurnished properties. The proposal is to reduce the length of the exemption
 Class L – re-possessed properties. The proposal is to remove the discount.

There is currently a ‘second home’ discount. This will be removed.

Owners of ‘long term empties’ (e.g. properties which have been empty for more than two years) currently pay full council tax. It is proposed that a premium of 150% is charged for these.

3.2 What do your staff/team members say about your initial view?	You could: <ul style="list-style-type: none"> • What do staff members feel are the gaps, or what do they feel could improve the service? • Speak to your colleagues within your team <p><i>List what equality objectives that are currently implemented or will soon be implemented.</i></p>
---	---

There has been discussion about the additional flexibilities being given to Council at service and Project Board level. There is consensus over the changes as set out above.

Key Questions	Issues to consider
3.3 What does available data and the results of any consultations show about the take up of services? What is the impact on different groups? (qualitative and	You could look at: <ul style="list-style-type: none"> • previous community consultation exercises, • customer service reviews and analysis.

APPENDIX 12

quantitative)	<ul style="list-style-type: none"> • <i>Census data</i> • <i>What are the experiences of front-line staff in relation to the provision of the service?</i> • <i>location of facilities.</i> • <i>lack of access to translation/interpretation or access to building or services,</i> • <i>eligibility rules could be a barrier?</i>
----------------------	--

This is a new 'freedom' which the government has delegated to Councils. As such, there is very limited data available to assess what the impact of the changes might be on the equalities groups.

Overall the total number of properties affected by the changes is limited. On 2012/13 there were a total of 910 properties which fell within one of the classes or areas where the changes are being made. The borough has 39,512 properties overall. Of these:

Class	Number	% of overall number
Class A	50	0.12%
Class C	349	0.85%
Class L	8	0.02%
Second Homes	239	0.58%
Long Term Empty	263	0.64%

The number of properties is split as follows in terms of ownership:

A2Dominion	32	4%
Companies, Landlords, Letting Agents	161	18%
Probate but still empty	20	2%
Individual owners	696	77%

APPENDIX 12

The likely impacts are financial through increased costs in relation to Class A and C, 'second' homes and 'long term empties'. Those most affected by changes to Class A and C, and long term empties will be registered social landlords (e.g. A2Dominion), private landlords and individual. Changes to Class L will affect financial institutions.

National data suggests that most of the 'long term empties' are owned by developers or landlords, but there are also likely to be a number where there are issues over probate (which can take a long time to sort out).

Equality monitoring information is not collected from those claiming discounts or exemptions. As such, it is not possible to say precisely what the impact will be on the equalities groups. However, even from the data above it is clear that whilst the landlords, companies and registered social landlords may see this as an 'increased business charge' (213 properties), there will be an increased financial burden for individual owners (696 or 77%).

A consultation survey was carried out on these changes (as well as those to council tax support). There was support for the changes being proposed, although a number of individual comments expressed a need to ensure that account was taken of extreme financial difficulty were this to occur. This did not come from any particular group, and could apply equally to any of the equality groups.

3.4 Can you identify any gaps? What are the reasons for this?

(Please note: If you do not have any data, you may wish to develop service based monitoring mechanisms that collate data on under-represented groups)

- *Are communities or service users aware of this policy or service?*
- *Are there any accessibility issues?*
- *Is service provision monitored, if so how?*
- *Is there a lack diversity awareness amongst staff?*

There are no gaps which have been identified. All owners of empty properties were consulted about the changes and are being notified in writing when payments are due.

3.5 What practical changes do you feel would help *For example, changes in communication methods,*

APPENDIX 12

reduce any adverse impact on particular groups?	<i>language support, disability measures, changes in eligibility criteria, developing monitoring mechanisms, diversity training?</i>
<p>No particular issues have been identified for those with protected characteristics. However they may be an individual owner who could own one of the properties affected by these changes. There is a small possibility that properties being adapted for use by those with disabilities may be left empty for some time while the changes are made.</p> <p>Legislation gives Councils powers to reduce the amount of tax payable, which can be used to offset hardship that might result due to the changes to ‘empty’ and ‘second’ homes. In cases of real financial hardship, discounts can be granted where the Council is satisfied that the individual concerned has made their best efforts to sell or let the property and to ask them to pay a council tax charge would cause exceptional financial hardship. This power would only be used in very exceptional circumstances.</p>	

3.6 What would be the benefits of making the above changes and are there any negative impacts that such an action would have on different communities?	<i>You may want to consider the benefits and consequences for the group(s) concerned, other communities and the Council, if we were not to make the suggested changes?</i>
<p>The changes have the potential to have a positive impact on some disadvantaged groups. If effective, the changes should reduce the number of properties that are standing empty for long periods of time. As a result, there should be a small increase in the overall amount of housing available (whether to buy or to rent) for Spelthorne residents.</p> <p>Communities often express concern at empty properties and the adverse impact they have on the look of a local area. Encouraging early occupation of such properties will have a positive effect for the community concerned.</p>	

APPENDIX 12

STAGE 4. IMPLEMENTING PROPORTIONATE EQUALITY OBJECTIVES & MAINSTREAMING DIVERSITY – THE EQUALITY ACTION PLAN

Your Equality Action Plan (Draft)

5.1 Referring to **Stages 1** (Scoping), **Stage 2** (Screening) and **Stage 3** (Adverse Impact) please list what objectives you will implement to mainstream diversity in your service area.

Please complete your Equality Action Plan ensuring that you have listed at least objectives in regards to disability, gender and race/ethnicity.

Outcome	Objectives	Lead	Resources	Deadline	Progress
Monitor any adverse impact in the first year to see if the policy requires review	Assess whether any of the equalities groups have been affected by any particular aspect of the policy change	Head of Customer Services	Staff time	April 2014	

Congratulations, you have now completed your Equality Impact Assessment. Please send a copy of your EIA to:

Arif Sain, Senior Consultant
 Office: 01279 460022
 Mob: 07906 380 976
 E:mail: Inclusivity_consultancy@yahoo.co.uk

COUNCIL TAX BENEFIT - COMMS (as of 10.01.13)

Status	Lead Officer	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June
Communications Strategy	RD	[Bar]														
Detailed comms strategy for 'info giving'	RD	[Bar]														
Article for Autumn Bulletin (changes are coming) 05.07	RD			[Bar]												
Consultation with SCC and Police 30.08	HM					[Bar]										
develop questionnaire for survey	RD/HM					[Bar]										
Develop, print and distribute leaflets	RD					[Bar]										
send out 9,000 consultation surveys (3,470 to all council tax benefit claimants) 10.09	RD					[Bar]										
Undertake consultation on options 10.09 - extended to 24.12	HM/RD					[Bar]										
LSP assembly - leaflets and feedback forms 27.09	HM/SW/LN					[Bar]										
807 surveys to empty home owners 22.10	RD							[Bar]								
3,401 surveys to council tax payers 28.10	HM/SW/LN							[Bar]								
meeting with A2D 15.11	HM/SW/LN								[Bar]							
Publish draft local council tax scheme 13.11	Gateway met LN								[Bar]							
Results of survey consultation on website (you said, we did) w/c 21.01	HM/SW										[Bar]					
Cabinet agree local scheme 21.01	HM										[Bar]					
Draft information to go on the website Latest News by 21.01	JJ										[Bar]					
Draft Spring Bulletin Article (1 page) (cllr approval) by 21.01	JJ										[Bar]					
Draft press release for local scheme (cllr approval) by 21.01	JJ										[Bar]					
Council agree local scheme 24.01	HM										[Bar]					
Issue press release and info on the web 25.01	JJ										[Bar]					
Information on screens in reception and housing benefits counter	JJ										[Bar]					
Deadline for agreeing local scheme 31.01											[Bar]					
Briefing note for all cllrs 28.01	HM/JJ										[Bar]					
Briefing note for CS and HB teams 28.01	HM/JJ										[Bar]					
Article for Spring Bulletin to Louise King 30.01	JJ										[Bar]					
Publish local scheme for CTB on web 30.01	HM/SW										[Bar]					
publish local scheme for EH on web 07.02	LN										[Bar]					
Publish notice of final scheme for empty homes (local newspaper) 07.02	HM										[Bar]					
Briefing meeting for all cllrs w/c 04.02 or 11.02	HM										[Bar]					
Briefing meeting A2D & discuss joint comms/letters w/c 11.02	HM/LN/SW										[Bar]					
Briefing meeting CAB & discuss joint comms/letters w/c 18.02	HM/LN/SW										[Bar]					
draft leaflet on changes to go with individual letters	JJ										[Bar]					
staff training (benefits) 4 x 2 hours to cover team 18.02 - 28.02	SW										[Bar]					
Staff training (empty homes) 4 x 2 hours to cover team 18.02 - 28.02	LN										[Bar]					
Letters to CTB individuals 'how changes will affect you' & leaflet 20.02	SW/JJ										[Bar]					
Letters to empty home owners 'how changes will affect you' & leaflet 20.02	LN/JJ										[Bar]					
change application forms/leaflets w/c 25.02	SW										[Bar]					
advise Cllrs that bills are going out 12.03	HM										[Bar]					
Send out council tax bills and explanatory leaflet 12.03 - 19.03	LN										[Bar]					
reminder of the new schemes and who to contact on the web 14.03	JJ										[Bar]					
New scheme goes live - 01.04.13											[Bar]					
press release	JJ										[Bar]					
Reminder of the new schemes and who to contact on the web 15.04	JJ										[Bar]					
Reminder council tax bills go out 19.04	LN										[Bar]					
FAQ's - what to do if you cannot pay 19.04	LN										[Bar]					

KEY

- Gateway review points [Bar]
- project team work [Bar]
- IT development [Bar]
- Communications [Bar]
- Government consultations/legislation [Bar]

- LEAD OFFICERS
- HM - Heather Morgan
 - SW - Stuart Wilkins
 - RD - Rowena Davison
 - LN - Linda Norman
 - JJ - Joanne Jones

Cabinet

21 January 2013

Title	Council tax base for 2013-14		
Purpose	Recommendation required		
Report of	Chief Finance Officer	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	No
Report Author	Terry Collier/ Jo Hanger		
Summary	To approve council tax base for Spelthorne Borough Council for 2013-14 taking into account adjustments relating to a) new council tax support regime and b) removal of council tax discounts for second homes and exemptions for empty properties and implementation of a premium for long term (two years plus) empty properties		
Financial Implications	<p>The council tax support will be paid out in the form of council tax discount which has effect of reducing the taxbase and the amount of income we raise through council tax.</p> <p>This will be offset by:</p> <ul style="list-style-type: none"> • Separate council tax support grant equivalent to 90% of our council tax benefit expenditure • Savings made as part of the new council tax support regime (see separate paper on this agenda) • Increase to council taxbase through removal of council tax discounts for empty and second homes and implementation of premium for long term empty properties. 		
Corporate Priority	All three priorities		
Recommendations	Recommend to Council the approval of the council tax base for 2013-14 as a band D equivalent figure of 36,665.61 dwellings		

1. Background

- 1.1 In order to set the budget and a council tax rate the Council needs to approve each year a council tax base which is the aggregate of all its council tax dwellings expressed as a band equivalent taking into account discounts and exemptions.
- 1.2 Usually this is a straightforward process. However for 2013-14 this is complicated by two sets of changes
 - (a) Impact of new council tax support regime
 - (b) Removal of exemptions/discounts for empty and second homes and implementation of premium for long term empty properties.

The Council is required to approve the new taxbase for 2013-14 before 31 January 2013.

2. Key issues

Localisation of council tax support

- 2.1 The separate paper on this agenda sets out in more detail the changes associated with the move away from a single national council tax benefits regime to local council tax support schemes.
- 2.2 Under council tax benefit within the Council's accounts we reflected the payment out of council tax benefit which was 100% offset by grant. This meant our council tax base took into account the receipt of the grant. Individuals under council tax benefit did not receive a discount and received a bill for the full amount but this was then offset by the council tax benefit grant. Under the new council tax support regime the support to individuals will be paid out in the form of a discount on council tax. For example if an individual were to receive one hundred percent support they would receive a full discount and therefore their dwelling would not be reflected at all in our council tax base. The effect of this will be our tax base will be lower and we will collect less council tax income on behalf of ourselves, the County and the Police. This will partly be offset by SBC, the County and the Police receiving with respect to their share of the expenditure council tax support grant equivalent to 90% of council tax benefit expenditure. SBC's share of the grant for 2013-14 is £590k.

Council tax technical flexibilities with respect to second homes and empty properties

- 2.3 Parallel to the introduction of the localisation of council tax support arrangements the Government issued new regulations to provide councils with some additional council tax flexibilities which would help offset some of the financial impact of the funding reduction associated with council tax support.
- 2.4 These regulations allowed:

- (a) Giving billing authorities (ie in two tiers areas district councils) the power to levy up to full council tax on second homes – Spelthorne currently has a 10% discount
- (b) Removing the exemptions for class A – vacant dwellings where major repair works or structural alterations are required, underway or recently completed (exemption applies up to 12 months) and class C – vacant dwellings empty and substantially unfurnished (exemption applies upto six months) with Council's free to put in place discounts they judge appropriate
- (c) Abolishing class L exemption – unoccupied dwellings taken into possession by a mortgage lender – and making mortgagees in possession of empty dwellings liable to council tax in respect of them- however in response to lobbying by the financial sector the Government has not implemented this change to the regulations.
- (d) Allowing billing authorities to levy a “empty homes premium” of upto an additional 50% of council tax on dwellings which have been left empty for more than two years.

2.5 As the localisation of council tax support paper sets out we are proposing, following consultation, that Spelthorne Borough Council applies these flexibilities in the following way:

- (a) No discount for second
- (b) 50% discount for uninhabitable properties (class A)
- (c) progressive discount for empty homes (class C) - 100% month one, 50% month two, 25% month three, 0% month four onwards
- (d) 50% premium for long term empties

2.6 As the separate paper sets out these measures provide benefits including:

- Realistic chance of maximising income generation whilst reducing the risk of non payment (government will not reduce grant as part of changes)
- Provides an incentive to get homes back into a habitable state and use
- Increase number of empty homes brought back into use and eligible for New Homes Bonus
- Reduces the impact on small scale developers and builders who buy and renovate properties by applying a phased reduction in discounts for empty homes
- Encourage long term empty homes to be brought back into use
In line with other Surrey Councils in applying the 50% premium for long term empty properties

Introducing these changes also poses challenges:

- Difficult to recover council tax until property is in use and bringing in an income.
- In the current climate houses are taking longer to sell
- Owners may find it difficult to repair properties prior to re-letting

- Difficult to get money from mortgage companies who have re-possessed houses until they are sold
- Risk of avoidance with long term empties by claiming occupation
- For long term empties the government is considering excluding homes genuinely for sale, main homes for armed forces and annexes used as part of the main home

These challenges will be taken into account by assuming a lower collection rates for these elements when calculating the overall collection rate.

3. Options analysis and proposal

- 3.1 Officers have followed the guidance, which allows considerable discretion as to the methodology applied, issued by the Chartered Institute of Public Finance and Accountancy to calculate a draft council taxbase, as set out in Appendix A.
- 3.2 It can be seen that as a result of the changes the taxbase falls from 40,667 band D equivalent dwellings for 2012-13 to 36,665.61 for 2013-14.

4. Financial implications

- 4.1 The taxbase will feed into the budget calculation set by the Council at its meeting on 21 February 2013.
- 4.2 If the drop in council tax income as result of the reduction in the council tax base is less than the offsetting Local Council Tax Support Grant of £590k (contained within Revenue Support Grant and our allocation of retained business rates), which is currently the case with projected council tax income falling by £563k to £6.479m in 13-14 then that means the Council has offset (and equally the County and Police will have for their portions) the council tax support funding reduction.
- 4.3 One ongoing consequence of having an element of our council tax income now dependent on a separate council tax support grant is that in future when we increase our council tax income we will only directly influence the income not offset by the council tax support which is roughly equivalent to ninety percent of our tax income. Therefore if we increase our council tax by say 2% but the Government does not increase the support grant, which would be consistent with its council tax freeze line, then the overall increase would be about 1.8%. This equates to a loss of potential income of approximately £14k.

5. Other considerations

- 5.1 See the separate Localisation of council tax support paper.

6. Risks and how they will be mitigated

- 6.1 Both sets of changes create risks. With the council tax support changes we will be attempting to collect small amounts of council tax from individuals who may never have had to previously pay any council tax. This means collection

will be more challenging and potentially relatively costly. As set out above there will also be collection issues with the technical changes to empty properties.

7. Timetable for implementation

7.1 The Council is required to approve a taxbase before 31st January 2013.

Background papers:

Appendices:

A: Calculation of draft tax base

COUNCIL TAX BASE CALCULATION 2013/14

APPENDIX A

Taxbase reflecting LCTSS										
	Band A	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL
Total dwellings per CTB1 October 2012	1.00	397.00	1,544.00	8,257.00	13,954.00	9,585.00	4,391.00	1,991.00	96.00	40,216.00
25% Discount - residents being disregarded (line 8 & 9)	-	53.75	251.25	1,060.00	1,063.75	570.75	215.25	83.00	3.00	3,300.75
50% Discount - resident being disregarded (line 10)	-	-	-	1.50	4.50	2.50	1.00	5.00	1.00	15.50
Now 50% premium - Long term empty homes Line 14) 50%	-	2.50	6.00	13.25	22.25	12.00	6.75	2.75	-	65.50
Class A - included in exempt Line 2, will pay 50% (50 No.)	-	1.50	4.00	12.00	4.00	2.50	1.00	-	-	25.00
Total equivalent dwellings after discounts	1.00	347.25	1,302.75	7,220.75	12,912.00	9,026.25	4,182.50	1,905.75	92.00	36,990.25
LCTSS cost by band (see other sheet for calculation)	-	63.09	378.51	1,687.39	1,485.38	323.14	58.23	13.08	0.38	4,009.20
Total equivalent dwellings after discounts and LCTS	1.00	284.16	924.24	5,533.36	11,426.62	8,703.11	4,124.27	1,892.67	91.62	32,981.05
Factor multiplier	0.67	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
No. of Band D equivalents	0.67	189.44	718.85	4,918.54	11,426.62	10,637.13	5,957.27	3,154.46	183.24	37,186.22

at Collection Rate 98.6% 36,665.61

CTB

Council tax band	Value of Benefits 31/12/12	Council Tax	Reduction in properties in bad	Estimated increase between years	Estimated reduction 2013/14	Factor
		1525.37				
A	62,900.77	1,016.91	62	1.99%	63.09	0.67
B	440,305.40	1,186.40	371	1.99%	378.51	0.78
C	2,243,270.26	1,355.88	1654	1.99%	1687.39	0.89
D	2,221,540.90	1,525.37	1456	1.99%	1485.38	1.00
E	590,695.43	1,864.34	317	1.99%	323.14	1.22
F	125,801.54	2,203.31	57	1.99%	58.23	1.44
G	32,594.04	2,542.28	13	1.99%	13.08	1.67
H	1,143.65	3,050.74	0	1.99%	0.38	2.00
TOTAL	5,718,252.00		3930.98		4009.20	

